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**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BELLAVITA AT GREEN TEE HOMEOWNERS ASSOCIATION, INC. HELD ON FEBRUARY 22, 2012 AT 1548 N. RIVIERA CIRCLE, PEARLAND, TX. 77581.**

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**DIRECTORS PRESENT**

Ron Gerlach, President  
Bill Burdick, Vice President  
Cris Barrera, Secretary  
Dorothy Darden, Director

John Devereux, Director  
David Dommert, Treasurer  
Elizabeth Woods, Director

**IN ATTENDANCE**

63 Homeowners were in attendance

Nancy Triggs, Clubhouse Manager

Emma Deatherage and Rod Simpson, representing the managing agent, Association Management, Inc.

**CALL TO ORDER**

Due notice of the meeting having been given and a quorum being present, the meeting was called to order. The Vice President, Bill Burdick, presided until the arrival of the President, Ron Gerlach. The managing agent assisted in recording the minutes.

**HOMEOWNER/GUEST SPEAKER REQUESTS**

The Vice President recognized the following individuals:

- Margo Green – addressed Board service, and support of the new stop signs.
- Denise Barberis – addressed opposition to the new stop signs and spoke about a petition signed by a significant number of Homeowners pertaining to opposition of the new stop signs.
- Tom Green – addressed insurance issues with stop signs.
- Ed Strausz – addressed creating a survey on stop sign support/opposition, and expressed concern on the anonymity of ballots.

**ADOPTION OF AGENDA**

On a motion duly made, the agenda was adopted.

**CONSIDERATION OF MINUTES**

On a motion duly made and seconded, the minutes of the meeting of the Board of Directors held January 25, 2012 were approved.

## **PRESIDENT'S REPORT**

Appointments to Committees: Bill Burdick recommended the appointment of Hanna West to the Finance Committee, Sheldon Maxwell to the Election Committee to replace Joyce Wormser, and Pam Weiner to the Community Relations Committee. On a motion duly made and seconded, the Board of Directors approved the appointments.

Confirmation of Unanimous Consent Motions: This item was delayed until later in the agenda.

## **TREASURER'S REPORT**

David Dommert reported that for the period ending January 31, 2012, the Association had total revenue of \$135,090 and total expenses of \$110,169 and an operating surplus of \$24,920. Mr. Dommert reported BellaVita currently has 583 homes complete as of January 31, 2012.

## **MANAGEMENT REPORT**

The managing agent introduced Byron Richardson, regional manager for Red Rock Financial Services, who gave a presentation on the services of the company. After discussion, and upon a motion duly made and seconded, a delinquent assessment collection agreement with Red Rock Financial Services was approved. In addition the Board selected the law firm of Slater, Kennon, and Pugh.

## **CLUBHOUSE REPORT**

Nancy Triggs reviewed her written report including the following:

- Clubhouse A/C replacement is underway.
- Pool Repairs. Work to begin in March and disruptions in outdoor bathroom and decking area access are expected.
- FireTron conducted the fire inspection and the clubhouse and areas all passed.
- Exercise room treadmill was replaced.
- Review of a proposal from Cypress Creek Pest Control for mosquito spraying. Upon a motion duly made and seconded, the Board approved the agreement at a cost of \$66.00 for once a week spraying with approval to the Clubhouse Manager to proceed to spray prior to April as needed.
- Review of a renewal proposal from Konica Minolta for copier costs and maintenance. After discussion and upon a motion duly made and seconded, the Board approved an usage overage of \$689.90 and the renewal of the existing agreement for a cost of \$764.72 annually with the understanding that there may be overage charges.
- Review of a renewal proposal from R.S. Painting for re-staining and front door maintenance services at the same rates as last year. Upon a motion duly made and seconded, the Board approved the agreement. \$80.00 per door maintenance and \$50.00 for weather stripping.
- Installation of the rear side gutters by Brinkmann Roofing to begin in early March.
- Replacement of a breaker in the west fountain by Lake Management.

- Reported that one of the televisions in the fitness center is broken. The Board directed that the Clubhouse Committee look at the possibility of having just one flat screen television in the fitness center and to report back to the Board with their findings.

## **COMMITTEE REPORTS**

Architectural Review Committee: No report.

Awards Committee: Ruth Southard reported that Sandra Jones replaced Jean O'Neill on the Committee. Ms. Southard reviewed the Rose Award rules and nomination procedures for the award that will be awarded in 2013. The Committee recommended approval. Upon a motion duly made and seconded, the Board approved the rules and nomination procedures for the Rose Award.

Clubhouse Committee: John Rodriguez reported on the sub-committee review of the storage facilities. He stated a recommendation to the Board would be forthcoming.

Communications Committee: Nancy Triggs reported that the Committee has forwarded to the IRIS software contract to AMI's IT department. Ms. Triggs also reported that the resident picture books are almost completed.

Community Relations Committee: No report.

Elections Committee: Carol Barber reviewed the Committees' recommendation on a process to allow two year terms for Board members and a staggered 4/3 election cycle as directed by the Board. Ms. Barber reviewed the recommended bylaw amendments as follows:

- Under Article III. A. Section 4: Election and Term of Office, replace "...a term of three (3) years." to read "...a term of two (2) years."
- Add: "Article III. A. Section 8: Staggered Terms. To achieve staggered terms of four (4) and three (3) directors, the director positions for the 2013 election will be elected for one year only. Thereafter, all director positions will be elected for two year terms."

After discussion, and upon a motion duly made and seconded, the Board approved the amendments.

Facilities Committee: Benny Franks reported that the pool heaters need to be repaired prior to the pool leak test being done. Mr. Franks reviewed the Committees' recommendation to accept the change order with Miller Pools for equipment repairs at a cost of \$2,327.38. Upon a motion duly made and seconded, the Board approved the change order.

Finance Committee: David Dommert reported on the activities of the Finance Committee including the sub-committee on the Villas Master, the reserve study and insurance review.

Grounds Committee: Becky Spedden reviewed the proposals for grounds services. The Committee recommended that Houston Lawn continue to provide grounds services to BellaVita. After discussion, and upon a motion duly made and seconded, the Board approved

the agreement with Houston Lawn to provide landscape service to BellaVita on the terms of the existing contract increased by 3% for 2012.

Homeowners Advocacy Committee: Carol Dyson reported on recent deed restriction activities.

Nature Reserve Committee: Ron Gerlach reported on the Army Corp of Engineers efforts to realign drainage within Clear Creek and the impact to the nature reserve area.

Neighborhood Watch Program: Bob Stockinger reported on an upcoming meeting with police to review the new stop signs. The Board discussed ways to inform residents about information regarding the stop signs and reviewing installation with a traffic expert.

Confirmation of Unanimous Consent Motions: The following items were approved electronically by unanimous consent:

- Approval of a weed application in the amount of up to \$2,000.

#### **ADDITIONAL BUSINESS**

Recorded Bylaws: Bill Burdick reviewed recommended amendments and corrections to the Bylaws. The Board approved the amendments and corrections to the Bylaws as shown on the attached Bylaws document in Red type but rejected those proposed by the ARC in the Maroon color. Additionally, it approved the change to Article III, B, Section 3 last sentence from "forty-eight (48)" to Seventy Two (72) hours" to correspond to a later reference to meeting notices in the bylaws.

*RTB is attached to these minutes. a copy of the approved bylaws*

Implementation of the Compliance Policy: The Board discussed the intent of the policy and the fines that were established and no changes were made to the policy including imposition of fines as written.

Villas Master Update: John Devereux reported on the Villas Master Association. Mr. Devereux updated the Board on the off-site detention pond and discussions with MUD.

Homeowner Concerns: Cris Barrera reported that he had received the following homeowner concerns.

- Concern regarding Board meetings being held at 3:00 pm, when not all residents have the opportunity to attend.
- Concern regarding the existing pools service contract, and request to contract with one service for all pool needs.
- Concern in opposition to the installation of the new stop signs.
- Concern regarding the need for a checkbook at the clubhouse to pay for purchases approved by the Board.
- Concern in opposition to the installation of the new stop signs.
- Concern regarding signatures on the election ballot and maintaining homeowner confidentiality.
- Concern in opposition to the installation of the new stop signs.

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- Concern in support of the installation of the new stop signs.
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- Concern regarding overnight street parking.
- Concern regarding vines and trees growing on the concrete fencing and causing damage.

Copies of concern forms were distributed to appropriate Committees to address or were addressed by the Board. AMI directed to send acknowledgement letters to the owners thanking them in bringing these concerns to the Board.

#### **EXECUTIVE SESSION**

Executive session was called to consider actions involving personnel, pending litigation, contract negotiations, enforcement actions, matters involving invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board.

#### **RECONVENE OPEN SESSION**

The following actions occurred in the Executive Session:

The board concurred with the continued pursuit of collection for a seriously delinquent homeowner for maintenance fees.

The board issued the direction to AMI to drop the action and fines relative to a Satellite Dish issue and also to a survey form issue.

The board issued direction to AMI to continue to pursue action for removal of a nuisance item in a Homeowners yard.

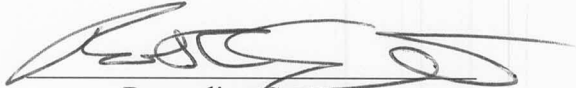
#### **SCHEDULE NEXT MEETING**

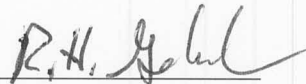
The next regular meeting of the Board of Directors was scheduled to be held on March 21, 2012 at 3:00 P.M. in the Club Bellavita Ballroom.

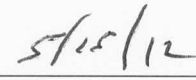
#### **ADJOURNMENT**

There being no further business, the meeting adjourned.

Respectfully Submitted,

  
Recording Secretary

  
Approved

  
Date

2012

AMENDED AND RESTATED

BYLAWS OF BELLAVITA AT GREEN TEE HOMEOWNERS' ASSOCIATION, INC.

These amended and restated bylaws (referred to as the "Bylaws") govern the affairs of BellaVita at Green Tee Homeowners' Association, Inc. (referred to as the "Corporation") organized under the Texas Corporation Act (referred to as the "Act").

## TABLE OF CONTENTS

Article I. <u>Name, Membership, Applicability, and Definitions</u>	1
Section 1. <u>Name</u>	1
Section 2. <u>Definitions</u>	1
Article II. <u>Association: Meetings, Quorum, Voting, Proxies</u>	1
Section 1. <u>Place of Meetings</u>	1
Section 2. <del>First Meetings and</del> <u>Annual Meetings</u>	1
Section 3. <u>Special Meetings</u>	1
Section 4. <u>Notice of Meetings</u>	1
Section 5. <u>Waiver of Notice</u>	2
Section 6. <u>Adjournment of Meetings</u>	2
Section 7. <u>Voting</u>	2
Section 8. <u>Proxies</u>	2
Section 9. <u>Quorum</u>	2
Section 10. <u>Voting by Mail</u>	2
Article III. <u>Board of Directors: Number, Powers, Meetings</u>	3
A. <u>Composition and Selection</u>	
Section 1. <u>Governing Body; Composition</u>	3
Section 2. <u>Number of Directors</u>	3
Section 3. <u>Nomination of Directors</u>	3
Section 4. <u>Election and Term of Office</u>	3
Section 5. <u>Resignation of Directors</u>	3
Section 6. <u>Removal of Directors</u>	3
Section 7. <u>Vacancies</u>	4
B. <u>Meetings</u>	4
Section 1. <u>Organization Meetings</u>	4



Section 2. <u>Board Meetings</u>	4
Section 3. <u>Special Meetings</u>	4
Section 4. <u>Notice of Meetings to Owners</u>	4
Section 5. <u>Waiver of Notice</u>	5
Section 6. <u>Quorum of Board of Directors</u>	5
Section 7. <u>Compensation</u>	5
Section 8. <u>Open Meetings</u>	5
Section 9. <u>Executive Session</u>	5
Section 10. <u>Action Without a Formal Meeting</u>	5
Section 11. <u>Meeting by Telephone</u>	5
C. <u>Powers and Duties</u>	6
Section 1. <u>Powers</u>	6
Section 2. <u>Management Agent</u>	8
Section 3. <u>Borrowing</u>	8
Section 4. <u>Fining Procedure</u>	8
Article IV. <u>Officers</u>	9
Section 1. <u>Officers</u>	9
Section 2. <u>Election, Term of Office, and Vacancies</u>	9
Section 3. <u>Removal</u>	9
Section 4. <u>President</u>	9
Section 5. <u>Vice President</u>	10
Section 6. <u>Secretary</u>	10

2012  
AMENDED AND RESTATED

BY-LAWS

OF

BELLAVITA AT GREEN TEE HOMEOWNERS' ASSOCIATION, INC.

Article I.

Name, Membership, Applicability, and Definitions

Section 1. Name. The name of the Association shall be BellaVita at Green Tee Homeowners' Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2 Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

Article II.

Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

Section 2. First Meeting and Annual Meetings.— Annual meetings shall be set by the Board so as to occur no later than one hundred twenty (120) days after the close of the Association's fiscal year, but not a legal holiday.

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a Majority of the Board of Directors or upon a petition signed by at least ten percent (10%) of the Class "A" members. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of record of each Lot a notice of each annual or special meeting of the Association stating the purpose of the special meeting, as well as the time and place where it is to be held. If an Owner wishes notice to be given at an address other than his or her Lot, he or she shall have designated by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) nor more than sixty (60) days before a meeting.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a Majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 7. Voting. The voting rights of the members shall be as set forth in the Declaration, and such voting rights will be in compliance with Texas Law.

Section 8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 9. Quorum. The presence, in person or by proxy, of ten percent (10%) of the Owners of Lots to which eligible votes appertain shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 10. Voting by Mail. The Board of Directors shall authorize members to vote by mail on the election of Directors or on any other matter that may be voted on by the members. The ballots shall be distributed via standard U.S. Mail. If the method for casting ballots is expanded to include electronic capabilities the procedure would be an acceptable method in compliance with Texas Law.

Article III.

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 2 of this Article, the Directors must reside in the Community and shall be members or spouses of such members.

Section 2. Number of Directors. The Board shall initially consist of seven (7) members and the Board shall have the authority to revise this number by amending these Bylaws.

Section 3. Nomination of Directors. Nominations for Directors shall be collected by the Elections Committee. A slate of qualified candidates shall be presented to members. -

Section 4 Election and Term of Office. All eligible members of the Association shall be given an opportunity to vote on all Directors to be elected, and the candidate(s) receiving the most votes shall be elected. Annually, beginning approximately one (1) year after the initial election of Directors, the Association shall hold elections to fill the positions of Directors whose terms have expired. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective

successors shall have been elected by the Association. If at any time after the initial special election, these Bylaws have been amended to increase the number of Directors, the additional Directors elected shall each serve an initial term as to give effect to the staggered terms referred to above.

Section 5. Resignation of Directors. Any director may resign at any time by giving written notice to the remainder of the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed, with or without cause, by a Majority vote of the Class "A" members. A Director whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Any Director who has three (3) consecutive unexcused absences from Board meetings days may be removed by a Majority vote of the Directors at a meeting, a quorum being present. Additionally, if a board is presented with documented evidence from a law enforcement authority that a board member has been convicted of a felony or crime of moral turpitude, they are automatically removed from the board.

Section 7. Vacancies. The board may only appoint directors to fill a vacancy caused by resignation, death or disability of a director and then only for the director's remaining term.

B. Meetings.

Section 1. Organization Meetings. The first meeting of the members of the Board of Directors each year shall be held within ten (10) days following each annual meeting of the membership at such time and place as shall be fixed by the Board.

Section 2. Board Meetings, Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a Majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter.

Section 3. Special Meetings, Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a Person at the Director's home or office who would reasonably be expected to communicate such notice promptly to the Director; (d) by telegram, charges prepaid; (e) by fax as long as confirmation of the fax transmission is received; or (f) by e-mail. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, Telegraph Company, fax or e-mail, shall be given at least forty-eight (48) hours before the time set for the meeting.

Section 4. Notice of Meetings to Owners. The owners must be given notice of Regular and Special board meetings, including the date, hour, location and general description of those topics to be brought up during the executive session. The meeting notice must be sent at least 10 days in advance if by mail or 72 hours if posted in a conspicuous location or association website and emailed to any owner who has furnished the association or its agent an email address for that purpose." The Board may not consider or vote on the following

matters, unless Notice of the Board meeting has been provided to the Owners: fines, Damage assessments, Initiation of foreclosure actions (not TRO's or threats to health/safety), Increase in assessments, levying of a special assessment, Appeal from a denial of an ACC application and Suspension of a right of a Homeowner before that homeowner meets with the Board."

Section 5, Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 6, Quorum of Board of Directors. At all meetings of the Board of Directors, a minimum of five (5) Directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a Majority of the required quorum for that meeting.

Section 7, Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by a Majority of the Class "A" members. However and, as approved by the Board, any Director may be reimbursed for expenses incurred on behalf of the Association.



Section 8, Open Meetings. All meetings of the Board shall be open to all owners, excluding executive session. "Owners attending open board meetings may not participate in any discussion or deliberation unless expressly so authorized by the Board".

Section 9, Executive Session. The board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters; litigation in which the Association is or may become involved, contract negotiations and orders of business allowed for executive sessions under the Texas Law. When adjourning a meeting to conduct an executive session the nature of all business to be considered will first be announced in open session. Any decisions made in Executive session must be orally summarized and placed in the meeting minutes, in general terms, without violating privacy or privileged requirements, including a general explanation of expenditures approved in Executive Session.

Section 10, Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors. Such consent may be executed by multiple counterpart, fax signatures, or e-mail as provided by Texas law.

Section 11, Meeting by Telephone. The Board of Directors may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not prohibited by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) Cooperation with The Villas Master Association, Inc. (VMA). After termination of Class "B" membership, the following criteria shall be used to fill the four (4) positions on the VMA board:

(i) Senior Elected Official. The BellaVita at Green Tee Homeowners' Association, Inc. will provide a Neighborhood Senior Elected Official and three (3) additional members to represent and act for BellaVita on the Villas Master Association Board.

(ii) These four Directors for VMA will function in accordance with the Declaration of Protective Covenants of the Villas Master Association (Article III, Section 3) and the VMA bylaws. The BellaVita representatives will be selected in accordance with the BellaVita bylaws.

(iii) The BellaVita Neighborhood Senior Elected Official for the VMA Board will be the sitting President. The BellaVita Board Vice President shall be designated the alternate voting member.

(iv) Two (2) additional Directors to the VMA Board will be elected by the BellaVita Board from the remaining Board members.

(b) Preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses and to The Villas Master Association, Inc.;

(c) Making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(d) Providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

(e) Designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(f) Collecting the assessments, disbursing and delivering contributions to The Villas Master Association, Inc., depositing the proceeds thereof in a (1) Federally Insured financial institution (2) securities with the direct guarantee of the United States Government, or (3) money market accounts that are invested primarily in securities with the direct guarantee of the United States Government, which it shall approve, and using the proceeds to administer the Association;

(g) Making and amending use restrictions and rules and regulations which are consistent with the rights and duties established by this Declaration and The Villas Master Association, Inc.;

(h) Opening of bank accounts on behalf of the Association and designating the signatories required;

(i) Enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) Paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred;

(m) Contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominiums, or other associations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity; and

(n) Collecting and maintaining the information and data from the Owners as required by the Fair Housing Act and/or the Declaration to qualify for and maintain the Community's 55 years old or older exemption, and performing such other actions as the Board deems prudent and/or necessary to

qualify for and maintain such exemption under the Fair Housing Act or any successor statute.

Section 2. Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Declarant or an affiliate of the Declarant may be employed as managing agent or Manager. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party without cause and without penalty, upon not more than ninety (90) days' written notice.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Property and facilities without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five percent (5%) of the then total annual budget at any one time.

Section 4. Fining Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and

(iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a fine, if the violation is not continuing. The Board or its designee may demand immediate abatement in such circumstances which, in the Board's determination, pose a danger to safety or property.

(b) Notice. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board may, upon notice, impose a fine. The notice shall state:

(i) the nature of the alleged violation;

(ii) that the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine;

(iii) that any statements, evidence, and witnesses may be produced by the alleged violator at the hearing; and

(iv) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(c) Hearing. If a hearing is requested, it shall be held before the Board in executive session, and the alleged violator shall be given a reasonable

opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

#### Article IV.

##### Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. No Director may hold more than one office. The Secretary may be elected by the Board of Directors from amongst the Board, however, a non-Board member may be appointed to the position of Recording Secretary by a majority vote of the Board. The Treasurer shall serve as an ex-officio member of the Finance Committee and the liaison of the board for that committee. The President or Vice President, as established by the Board, along with the Treasurer, shall execute all contracts and legal documents pertaining to the Association as authorized by the Board.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual election of the Board members. A vacancy in any office arising because of death, resignation or disability may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under Texas Law. These duties shall include, but not be limited too, contract administrator with the managing agent, Supervisor of the BellaVita

Clubhouse Manager, on behalf of the board and in the absence of any other appointed supervisor as confirmed by the board.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep or cause to be kept the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform or cause to be performed, all duties incident to the office of the secretary of a corporation organized in accordance with Texas law.

Section 7. Treasurer. The Treasurer shall serve as liaison between the management agent and the board on financial matters. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping or causing to be kept full and accurate financial records and books of account showing all receipts and disbursements, for preparing or causing to be prepared all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for recommending the Finance Committee Chair and membership appointments for ratification by the Board of Directors.

Section 8. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.



Section 9. Conflicts of Interest. No Director shall participate in any voting, contract award, personnel selection, or manage any section of a contract or agreement where a personal or business relationship exists and possible conflict of interest could be inferred or implied.

## Article V.

### Committees

Section 1. Establishing Committees. Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. Members of all committees shall be appointed by the President and approved by the Board.

- Committees shall be created as needs are identified by the Board.
- Committees may be chaired by a Board member or homeowner as approved by the Board and will have a Board member assigned as a liaison.
- The Treasurer shall be an ex-officio member of the Finance Committee and the board liaison for that committee.
- Committees and Committee members shall serve at the pleasure of the Board.
- Each Committee shall consist of a minimum of three (3) members.
- Committees and project managers may be delegated by the board with the oversight and administration of projects and contracts under the direction of the board.

Section 2. Mandatory Committees. The mandatory committees shall consist of the Finance Committee, the Elections Committee, the Architectural Review Committee and the Facilities and Operations Committee. These committees shall be appointed within thirty (30) days following the annual elections.

(a) Finance Committee. The Finance Committee members shall be appointed by the board. The Finance Committee chair shall be elected by the Finance Committee members and presented to the Treasurer for board approval, for a period of one year beginning in April of each year. The Finance Committee shall submit a yearly operating and capital budget to the board for adoption. These budgets shall conform to the fiscal year of the association. It shall include a yearly review and projection of the reserve funds. In addition, the proposed budgets shall be submitted to the board no later than October 1<sup>st</sup>.for review. The completed budgets shall be submitted to the board at the October board meeting; and, the finalized budgets shall be presented to the homeowners one month prior to the end of the fiscal year. The board shall consult the Finance Committee on all non-budgeted expenditures over the amount of \$5000 before a vote is taken by the board. The Finance Committee shall have the authority to obtain any and all documents to fulfill its mission of preparing its annual budgets and of advising the board on budgetary matters. The Finance Committee shall assist and cooperate in an annual audit.

(b) Elections Committee. The Elections Committee shall provide a slate of qualified members for election to the open and expiring positions of the

Board. The Elections Committee shall manage the election, shall cause the ballots to be distributed, collected, tallied and certify all returned ballots with the Secretary, all in compliance with Texas Law. The Elections Committee shall conduct at least two (2) candidate forums for the members. Candidate resumes shall be placed on the Web page and posted on the clubhouse bulletin board.

(c) Architectural Review Committee (ARC). The Declaration authorizes the board to establish rules, standards and procedures for the orderly development and maintenance of BellaVita. The ARC serves as the first level of appeal when a homeowner disputes a rejected applications and reserves the authority to review and approve applications for buildings, additions or improvements, which are not explicitly described by board approved Guidelines and to consider additional rules as necessary in the process.

(d) Facilities and Operations Committee. The Facilities and Operations Committee shall review and facilitate the maintenance, care, operation and improvements of the buildings, facilities, lake, streets and fences belonging to the Association.

#### Article VI.

##### Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Texas law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the Person presiding over the proceeding.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Texas law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Texas law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail, however, any conflict between the Declaration, the By-laws, the Articles of Incorporation and The Villas Master Association, Inc. CCR's (as defined in the Declaration) shall be decided in favor of The Villas Master Association, Inc. CCR's.

Section 4. Amendment. The provisions of the Declaration applicable to amendment of that instrument shall apply to any amendment to these By-Laws. In addition, these Bylaws may be amended by the Board of Directors.

## Article VII.

### Indemnification

#### Section 1. When Indemnification is Required, Permitted and Prohibited.

(a) The Association shall indemnify a director, officer, committee member, employee, or agent of the Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. For the purposes of this article, an agent includes one who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Association shall indemnify a person

only if he or she acted in good faith and reasonably believed that the conduct was in the Association's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Association shall not indemnify a person who is found liable to the Association or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the corporation.

(c) The Association shall pay or reimburse expenses incurred by a director, officer, member, committee member, employee, or agent of the Association in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Association when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Association may indemnify a director, officer, member, committee member, employee, or agent of the Association to the extent permitted by law. However, the Association shall not indemnify any person in any situation in which indemnification is prohibited by the terms of Section 1(a) above.

(e) Before the final disposition of a proceeding, the Association may pay indemnification expenses permitted by the bylaws and authorized by the Association. However, the Association shall not pay indemnification

expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Association or one or more members or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Association may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Association, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

## Section 2. Procedure Relating to Indemnification Payments.

(a) Before the Association may pay any indemnification expenses (including attorney's fees), the Association shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in Section 2(c) below. The Association may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) 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.

(iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in Section 2(a)(i) or 2(a)(ii) or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(iv) Majority vote of members at a meeting at which a quorum is present, excluding Directors who are named defendants or respondents in the proceeding.

(b) The Association shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by Section 2(a) (iii) above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by Section 1, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Association shall pay indemnification expenses before final disposition of a proceeding only after the Association determines that the facts then known would not preclude indemnification and the Association receives a

written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under Section 2(a) above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Association if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Association. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

EXECUTED on the \_\_\_\_ day of \_\_\_\_\_, 2011.

BELLAVITA AT GREEN TEE  
HOMEOWNERS ASSOCIATION INC.

By: \_\_\_\_\_



