

COPY

ARTICLES OF INCORPORATION

OF

REDLAND HEIGHTS OWNERS ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

AUG 23 1994

Corporations Section

The undersigned natural person of the age of eighteen years or more, acting as sole incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I.

The name of the corporation is **Redland Heights Owners Association, Inc.**

ARTICLE II.

The corporation is a non-profit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The street address of the initial registered office of the corporation is 1101 Capital of Texas Highway South, Building D, Suite 200, Austin, Travis County, Texas 78746, and the name of its initial registered agent at such address is Peter A. Dwyer.

ARTICLE V.

The direction and management of the affairs of the corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors composed of such number of persons as the bylaws may fix. Until changed by the bylaws the original number of directors shall be one (1). The director shall

continue to serve until his successors are selected in the manner provided in the bylaws of the corporation. The name and residence of the person who shall serve as director of the corporation until his successors are duly elected and qualified is as follows:

<u>Name</u>	<u>Address</u>
Peter A. Dwyer	1101 Capital of Texas Highway South, Building D, Suite 200 Austin, Texas 78746

ARTICLE VI.

The corporation shall have members. The membership of the corporation shall be determined as provided in the bylaws, and such bylaws shall define the voting rights, powers and privileges of the members.

ARTICLE VII.

No member of the corporation shall have the right of cumulative voting at any election of directors or upon any other matter.

ARTICLE VIII.

The initial bylaws of the corporation shall be adopted by its Board of Directors. The power to alter, amend or repeal the bylaws or to adopt new bylaws shall be vested in the members, but such power may be delegated by the members to the Board of Directors.

ARTICLE IX.

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment

of all of the liabilities of the corporation, dispose of all of the corporation's assets exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code or as are described in Section 170(c)(1) or (2) of the Code or the corresponding provisions of any future United States Internal Revenue Law, as the Board of Directors shall determine. Any such assets not so disposed of shall be charged with a charitable public trust and shall be thereafter administered and applied to public charitable purposes by a trustee or trustees to be appointed pursuant to law by a court of competent jurisdiction.

ARTICLE X.

No director shall be liable to the corporation or its members for monetary damages for an act or omission in the directors' capacity as a director, except that this Article does not eliminate or limit the liability of a director to the extent the director is found liable for:

(1) a breach of the director's duty of loyalty to the corporation;

(2) an act or omission not in good faith that constitutes a breach of duty of the director to the corporation or an act or

omission that involves intentional misconduct or a knowing violation of the law;

(3) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or

(4) an act or omission for which the liability of the director is expressly provided by an applicable statute.

Any repeal or modification of this Article shall be prospective only and shall not adversely affect any limitation on the liability of a director of the corporation existing at the time of such repeal or modification.

ARTICLE XI.

The name and street address of the sole incorporator is:

<u>Name</u>	<u>Address</u>
Rick Triplett	515 Congress Avenue Suite 2300 Austin, Texas 78701

EXECUTED BY THE UNDERSIGNED INCORPORATOR on this 23rd day of August, 1994.



RICK TRIPLETT, Incorporator

**BYLAWS
OF
REDLAND HEIGHTS OWNERS ASSOCIATION, INC.**

**ARTICLE 1.
NAME AND PURPOSE**

1.1. **Name.** The name of the Corporation is **Redland Heights Owners Association, Inc.**

1.2. **Purpose.** The Corporation is organized for the purposes set forth in that certain Declaration of Covenants, Conditions and Restrictions for REDLAND HEIGHTS PLANNED UNIT DEVELOPMENT, UNIT ONE, dated July 18, 1994, recorded under Clerk's File No. _____, Official Public Records of Real Property of Bexar County, Texas, as it may be amended from time to time (the "Declaration").

**ARTICLE 2.
OFFICES**

2.1. **Principal Office.** The principal office of the Corporation shall be located at 1101 Capital of Texas Highway South, Building D, Suite 200, Austin, Texas 78746.

2.2. **Additional Offices.** The Corporation may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE 3.
MEMBERS**

3.1. **General.** The Corporation shall have members. The qualifications for membership shall be as set forth in the Declaration, as it may be amended from time to time.

3.2. **Meetings of Members.** Meetings of members for any purpose may be held at such time and place within or without the State of Texas as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

3.3. **Annual Meetings.** An annual meeting of members shall be held at such time and place as the Board of Directors shall determine. At each annual meeting, the members shall elect a Board of Directors and transact such other business as may be properly brought before the meeting.

3.4. **Special Meetings.** Special meetings of the members for any purpose or purposes may be called by the President, by the Board of Directors, or by members having not less than one-tenth (1/10) of the votes entitled to be cast at the proposed special meeting. A request for a special meeting shall state the purpose or purposes of the proposed meeting, and business transacted at any

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special meeting of members shall be limited to the purposes described in the notice of the meeting.

3.5. **Notice of Meetings.** Subject to the provisions of Section 2.11B of the Texas Non-Profit Corporation Act, written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Corporation, with postage thereon paid.

3.6. **Quorum of Members.** Except as may otherwise be provided by the Articles of Incorporation or by Section 2.12B of the Texas Non-Profit Corporation Act, members holding one-tenth (1/10) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at all meetings of the members for the transaction of business. If a quorum is not represented at any meeting of the members, the members entitled to vote thereat, represented in person or by proxy, may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is represented. At such adjourned meeting, provided a quorum is represented thereat, any business may be transacted that might have been transacted if the meeting had been held in accordance with the original notice thereof.

3.7. **Majority Vote of Members.** The vote of the majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting at which a quorum is present, shall be the act of the members meeting, unless the vote of a greater number is required by law or by the Articles of Incorporation.

3.8. **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.

3.9. **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.

3.10. **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.

**ARTICLE 4.
BOARD OF DIRECTORS**

4.1. **General Powers.** The affairs of the Corporation shall be managed by, and the control and disposition of its properties and funds shall be vested in, the Board of Directors, which may exercise all powers of the Corporation and do all such lawful acts and things as are not by law or by the Articles of Incorporation or by these Bylaws directed or required to be done by the members.

4.2. **Number and Qualifications.** The number of Directors which shall constitute the whole Board of Directors shall be not less than one (1) nor more than three (3) as determined by the Directors. Directors need not be residents of the State of Texas or members of the Corporation.

4.3. **Election and Vacancies.** The Directors shall be elected at the annual meeting of the members, except that (1) any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors, and any Director thus elected shall be elected for the unexpired term of his or her predecessor in office, and (2) 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 members called for that purpose.

4.4. **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.

4.5. **Place of Meetings.** Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

4.6. **First Meetings.** An organizational meeting of the Board of Directors named in the Articles of Incorporation shall be held, at the call of the majority of the incorporators, for the purpose of adopting bylaws, electing officers, and for such other purposes that may come before the meeting. The incorporators calling the meeting shall give at least three (3) days notice thereof by mail

to each Director named in the Articles of Incorporation, which notice shall state the time and place of the meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the members at the annual meeting, and no notice of such meeting shall be necessary to the newly elected Directors in order legally to constitute the meeting, provided a quorum shall be present. In the event that the members fail to fix the time and place of such first meeting, it shall be held without notice immediately following the annual meeting of members, and at the same place, unless the time or place is changed by the unanimous consent of the Directors then elected and serving.

4.7. **Regular Meetings.** Regular meetings of the Board of Directors may be held upon such notice, or without notice, and at such time and at such place as shall from time to time be determined by the Board of Directors.

4.8. **Special Meetings.** Special meetings of the Board of Directors may be called by the President and shall be called by the Secretary on the written request of any Director. Notice of each special meeting of the Board of Directors shall be given to each Director at least two (2) days before the date of the meeting.

4.9. **Attendance as Waiver of Notice.** Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Except as may be otherwise provided by law or by the Articles of Incorporation or by these Bylaws, neither the business to be transacted at, 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.

4.10. **Voting.** A Director may vote in person or by proxy executed in writing by the Director.

4.11. **Quorum of Directors; Majority Vote.** At all meetings of the Board of Directors, the presence in person (but not by proxy) of a majority of the number of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business, and the act of the majority of the Directors present in person or by proxy at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Articles of Incorporation or these Bylaws. If a quorum is not present at any meeting of Directors, the Directors present in person may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

4.12. **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 any 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.

4.13. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board of Directors or any committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors or committee, as the case may be.

4.14. 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 of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in and hold a meeting of such Board of Directors or committee 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.

4.15. 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 therefor; 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.

**ARTICLE 5.
NOTICES**

5.1. **Notice to Directors or Members.** Any notice to Directors or members shall be in writing and shall be either delivered (by personal delivery or by telecopy or overnight delivery service) or mailed to the Directors or members at their respective addresses appearing on the books of the Corporation. Notice to such addresses shall be deemed to be given when deposited in the United States mail, postage prepaid, or on the day such notice is actually delivered to such address.

5.2. **Waiver of Notice.** Whenever any notice is required to be given to a Director or member under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or of these Bylaws, 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 6.
OFFICERS**

6.1. **Officers of the Corporation.** The officers of the Corporation shall be elected by the Board of Directors and shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board of Directors may also elect or appoint a Chairman of the Board and such other officers and assistant officers as it shall deem necessary. All officers shall hold their offices for such terms (not exceeding three (3) years) and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors by resolutions not inconsistent with these Bylaws. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. A committee duly designated may perform the functions of any officer and the functions of any two or more officers may be performed by a single committee, including the functions of both President and Secretary.

6.2. **Qualifications.** No officer need be a member of the Board of Directors. The Board of Directors shall have the power to enter into contracts for the employment and reasonable compensation of officers for such terms as the Board of Directors deems advisable, subject to Section 6.3 below.

6.3. **Compensation; Restrictions on Loans and Dividends.** The Corporation may pay compensation in a reasonable amount to 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.

6.4. Term of Office and Removal. Unless otherwise specified by the Board of Directors, the term of office for all officers shall be for one (1) year, commencing with the date of the annual Directors' meeting; provided that no such term of office shall exceed three (3) years and provided further that the officers of the Corporation shall hold office until their successors are elected or appointed and qualify, or until their death or until their resignation or removal from office. Any officer elected or appointed may be removed by the persons authorized to elect or appoint such officer whenever in their judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors.

6.5. 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.

6.6. President. The President shall be the Chief Executive Officer of the Corporation, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall preside at all meetings of the members and, in the absence of the Chairman of the Board of Directors, at all meetings of the Board of Directors.

6.7. Vice President. The Vice Presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. They shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

6.8. **Secretary.** The Secretary shall attend all meetings of the Board of Directors of which, ex officio, he or she shall be the Secretary, and all meetings of members, and record all of the proceedings of the meetings of the Board of Directors and of the members in a minute book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the members, special meetings of the Board of Directors, and (if notice is required) regular meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President under whose supervision the Secretary shall be. The Secretary shall keep in safe custody the seal of the Corporation (if any) and, when authorized by the Board of Directors, shall affix the same (or state that the Corporation has none) to any instrument requiring it and, when so affixed (or so stated), it shall be attested by his or her signature or by the signature of an Assistant Secretary or of the Treasurer.

6.9. **Assistant Secretaries.** The Assistant Secretaries, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

6.10. **Treasurer.** The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts and records of receipts, disbursements and other transactions in the records of the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

6.11. **Duties of Treasurer.** The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render the President and the Board of Directors, at its regular meetings, or when the President or Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

6.12. **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.

6.13. **Assistant Treasurers.** The Assistant Treasurers, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe or the President may from time to time delegate.

**ARTICLE 7.
GENERAL PROVISIONS**

7.1. **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.

7.2. **Fiscal Year.** The fiscal year of the Corporation shall be the calendar year unless otherwise fixed by resolution of the Board of Directors.

7.3. **Seal.** The Board of Directors may provide for a corporate seal in such form as it prescribes. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

7.4. **Books and Records.** The Corporation shall keep correct and complete books and records of account, and shall keep minutes of the proceedings of its members and Board of Directors and committees having any authority of the Board of Directors, and shall keep at its registered office or principal place of business in Texas a record of the names and addresses of its members entitled to vote. All books and records of the Corporation may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time.

7.5. **Conveyance of Land.** The Corporation may convey land by deed, with or without the seal of the 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.

**ARTICLE 8.
AMENDMENTS**

8.1. **Amendment to Bylaws.** The power to alter, amend or repeal these Bylaws or to adopt new bylaws shall be vested in the members but the members may delegate such power to the Board of Directors at any time and from time to time.

**ARTICLE 9.
INDEMNIFICATION**

9.1. **Power to Indemnify and to Purchase Indemnity Insurance.** To the maximum extent permitted by Article 1396-2.22A of the Texas Nonprofit 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 of 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 matters occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

