

BYLAWS  
OF  
GALVESTON EL CORTEZ VILLAS OWNERS' ASSOCIATION  
(a Texas nonprofit corporation)

ARTICLE I  
INTRODUCTION

1.1 Purpose of Bylaws. These bylaws provide for the governance of the condominium known as El Cortez Villas Condominium, located in Galveston, Galveston County, Texas, subject to and more fully described in the Condominium Declaration for El Cortez Villas Condominium, recorded on under Clerk's File No. \_\_\_\_\_ in the real property records of Galveston County, Texas (the "Declaration").

1.2 Parties to Bylaws. All present or future unit owners and all other persons who use of occupy the condominium in any manner are subject to these bylaws and the other Governing Documents (defined below). The mere acquisition or occupancy of a unit will signify that these bylaws are accepted, ratified, and will be strictly followed.

1.3 Definitions. Words and phrases defined in the Declaration shall have the same meanings when used in these bylaws. Unless defined otherwise in the Declaration or in these bylaws, words and phrases defined in Chapter 82 of the Texas Property Code, the Uniform Condominium Act (the "Act") shall have the same meaning when used in these bylaws. The following words and phrases shall have specified meanings when used in these bylaws:

a. "Director" means a director of the Association.

b. "Governing Documents" means, collectively, the Declaration, these bylaws, the certificate of formation for the Association, and the rules and regulations of the Association, as any of these may be amended from time to time.

c. "Majority" means more than 50 percent.

d. "Member" means a member of the Association, each member being a unit owner, unless the context indicates that member means a member of the board of directors or a member of a committee of the Association.

e. "Officer" means an officer of the Association. "President," "Secretary," and "Treasurer," mean respectively, the president, secretary, and treasurer of the Association.

f. "Resident" means the occupant of a unit, whether or not such occupant is a unit owner.

1.4 Nonprofit Purpose. The Association is not organized for profit.

EXHIBIT C

1.5 Compensation. A Director, Officer, Member, or Resident shall not be entitled to receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a Director, Officer, Member, or Resident; provided however:

a. that reasonable compensation may be paid to a Director, Officer, Member, or Resident for services rendered to the Association;

b. that a Director, Officer, Member, or Resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the board; and

c. that this provision does not apply to distributions to unit owners permitted or required by the declaration or the Act.

1.6. General Powers and Duties. The Association, acting through the board, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium as may be required or permitted by the Governing Documents and State law. The Association may do any and all things that are lawful and any and all acts that may be necessary or proper for, or incidental to, the exercise of any of the express powers granted to it by the laws of Texas or by the Declaration, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. Subject to such limitations and restrictions as are set forth in the Declaration, the Association shall have the powers conferred by the laws of the State of Texas upon corporations formed as nonprofit corporations under Chapter 22 of the Texas Business Organizations Code, as it may from time to time be amended (the "Code"), or any successor act or statute.

1.7. Members. The Association has one class of Members consisting of Owners, as defined in the Declaration. Membership shall be appurtenant to and shall run with the property interest which qualifies the Owner thereof for membership. Membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with title to such property interest. The Members are not personally liable for a debt, liability, or obligation of the Association.

## ARTICLE 2 BOARD OF DIRECTORS

2.1 Number, Qualifications, and Term of Office. The board shall consist of three persons, who need not be Members of the Association. Upon election, each Director shall serve a term of one year. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The number of Directors may be changed by amendment of these bylaws, but shall not be less than three.

2.2. Election. Directors shall be elected by the Members. The election of Directors shall be conducted at the annual meeting of the Association or at any special meeting called for that purpose.

2.3. Vacancies. Vacancies on the board caused by any reason, except the removal of a Director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors, even though less than a quorum, at any meeting of the board. Each Director so elected shall serve out the remaining term of his predecessor.

2.4. Removal of Directors. At any annual meeting or special meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing at least  $\frac{2}{3}$  of the votes present in person or by proxy at such meeting, and a successor shall then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

2.5. Meetings of the Board.

2.5.1. **Organizational and Annual Meetings.** The organizational meeting of the board shall be held as soon as practicable following the filing of the certificate of formation. Thereafter, annual meetings of each newly elected board shall be held without notice immediately following the annual meeting of the Association at the same place, unless by unanimous consent of the Directors then elected and serving, such time or place shall be changed.

2.5.2. **Regular Meetings of the Board.** Regular meetings of the board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of the date, time and place of regular meetings shall be given to each Director personally or by mail, telephone, or facsimile transmission, at least three days prior to the day designated for such meeting.

2.5.3. **Special Meeting of the Board.** Special meetings of the board may be called by the President and shall be called by the Secretary on the written request of two Directors. Notice of any special meeting of the board shall be given to each Director at least three days before the date of the meeting. Absent actual notice, proper notice shall be deemed to have been given of any special meeting of the board if notice in writing, or by telephone or facsimile transmission shall have been sent to either the usual business or residence address of the Director entitled to receive notice not less than three days preceding the date of the meeting.

2.5.4. **Conduct of Meetings.** The President shall preside over all meetings of the board and the Secretary shall keep, or cause to be kept, record of all resolutions adopted by the board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Governing Documents, the then current edition of the Robert's Rules of Order shall govern the conduct of the meetings of the board.

2.5.5. **Quorum.** At all meetings of the board, a Majority of Directors shall constitute a quorum for the transaction of business, and the acts of the Majority of the Directors present at a meeting at which a quorum is present shall be the acts of the board. If less than a quorum is present at any meeting of the board, the Majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

2.5.6. **Open Meetings.** Annual, regular and special meetings of the board shall be open to Members of the Association; provided that Members who are not Directors may not participate in any deliberations or discussions unless the board expressly so authorizes at the meeting. The board may adjourn any meeting and reconvene in closed executive session to consider actions involving personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual unit owners, or matters that are to remain confidential by request of the affected parties and agreement of the board. The general nature of any business to be considered in executive session shall first be announced at the open meeting.

2.5.7. **Manner of Holding Meetings.** Members of the board or any committee of the Association may participate in and hold meetings of the board or committee by any method of communication, including electronic and telephonic, as permitted by the Governing Documents and the Act. Participation in such meeting shall constitute presence in person at the 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.

2.5.8. **Action without a Meeting.** Any action required or permitted to be taken by the board at a meeting may be taken without a meeting, if all of the Directors individually or collectively consent in writing to such action, as permitted by the Governing Documents and the Act. The written consent shall be filed with the minutes of the board. Action by unanimous written consent shall have the same force and effect as a unanimous vote at a meeting.

2.6. Liabilities and Standard of Care. In performing their duties, the Directors are required to exercise certain standards of care and are subject to certain liabilities as provided by applicable law, such as the Act and the Code.

2.7 Powers and Duties. The board shall have all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the condominium. The board may do all such acts and things except those which, by law or the Governing Documents are reserved to the Members and may not be delegated to the board. Without prejudice to the general and specific powers and duties set forth in the Act, the Code, or other applicable law or the Governing Documents, or such powers and duties as may hereafter be imposed on the board by resolution of the Association, the powers and duties of the board shall include, but shall not be limited to, the following:

2.7.1. **Appointment of Committees.** The board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the board with its responsibilities. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its members, as well as a chairman, and shall provide for reports, termination, and other administrative matters deemed appropriate by the board. Members of committees shall be appointed from among the owners and residents.

2.7.2. **Manager.** The board may employ a manager or managing agent for the Association, at a compensation established by the board, to perform those powers as may from to time be delegated to the manager or managing agent by the board.

2.7.3. **Fines.** The board may levy fines as permitted by the Act.

2.7.4. **Delinquent Accounts.** The board may establish, levy, and collect reasonable late charges for members' delinquent accounts. The board may also establish a rate of interest to be charged on Members' delinquent accounts, provided the rate of interest does not exceed the maximum rate permitted by law.

2.7.5. **Fidelity Bonds.** The board may require that all officers, agents, and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds may be a common expense for the Association.

2.7.6. **Ex-Officio Directors.** The board may, from time to time designate one or more persons as ex-officio members of the board, pursuant to Section 22.210 of the Code.

2.7.7. **Delegation of Powers.** The board may from time to time designate those powers that may be delegated to other persons, subject to any restrictions on delegation of powers imposed by the Governing Documents or applicable law, such as the Act or the Code.

2.7.8. **Exercise of Other Powers.** In addition to and not in limitation of the foregoing, the board may exercise all the powers of the Association described in Section 82.102 of the Act.

### ARTICLE 3 OFFICERS

3.1. **Designation.** The principal officers of the Association shall be the President, the Secretary, and the Treasurer. The board may appoint one or more vice-presidents and such other officers and assistant officers as it deems necessary. Any two offices may be held by the same person, except the offices of President and Secretary. If an Officer is absent or unable to act, the

board may appoint a person to perform the duties of that Officer and to act in place of that Officer, on an interim basis.

3.2. Election of Officers. The Officers shall be elected no less than annually by the Directors at the annual meeting of the board and shall hold office at the pleasure of the board. Except for resignation or removal, Officers shall hold office until their respective successors have been designated by the board.

3.3. Removal and Resignation of Officers. A Majority of Directors may remove any Officer, with or without cause, at any regular meeting of the board or at any special meeting of the board called for that purpose. A successor may be elected at any regular or special meeting of the board called for that purpose. An Officer may resign at any time by giving written notice to the board. Unless the notice of resignation states otherwise, it is effective when received by the board and does not require acceptance by the board. The resignation or removal of an Officer who is also a director does not constitute resignation or removal from the board.

3.4. Standard of Care. In performing their duties, the Officers are required to exercise the standards of care provided by applicable law, such as the Code and the Act.

3.5. Description of Principal Offices.

3.5.1. **President.** As the chief executive officer of the Association, the president shall: (i) preside at all meetings of the Association and of the board; (ii) have all the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the board; and (iv) see that all orders and resolutions of the board are carried into effect.

3.5.2. **Secretary.** The secretary shall: (i) keep the minutes of all meetings of the board and of the Association; (ii) have charge of such books, papers, and records as the board may direct; (iii) maintain a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, perform all duties incident to the office of secretary.

3.5.3. **Treasurer.** The treasurer shall: (i) be responsible for Association funds; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data and tax returns; (iv) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the board; (v) prepare the annual and supplemental budgets of the Association; (vi) review the accounts of any manager or managing agent on a monthly basis in the event such manager or managing agent is responsible for collecting and disbursing Association funds; and (vii) perform all the duties incident to the office of treasurer.

3.6. Authorized Agents. Except when the Governing Documents require execution of certain instruments by certain individuals, the board may from time to time authorize any person

to prepare, execute, certify, and record instruments on behalf of the Association. In the absence of board designation, the President and the Secretary are authorized to prepare, execute, certify, and record instruments, including amendments to the Declaration, on behalf of the Association.

ARTICLE 4  
MEETINGS OF THE ASSOCIATION

4.1. Annual Meeting. An annual meeting of the Association shall be held during the month of May of each year. At annual meetings the Members shall elect Directors in accordance with these bylaws. The Members may also transact such other business of the Association as may properly come before them.

4.2. Special Meetings. It shall be the duty of the president to call a special meeting of the Association if directed to do so by a majority of the board or by a petition signed by Members representing at least 20% of the votes in the Association. Such meeting shall be held within 30 days after the board resolution or receipt of petition. The notice of any special meeting shall state the place, date, time, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, shall be transacted at a special meeting.

4.3. Place of Meeting. Meetings of the Association shall be held at the condominium or at a suitable place convenient to the Members, as determined by the board.

4.4. Notice of Meetings. At the direction of the board, written notice of meetings of the Association shall be given to an owner of each unit entitled to vote at least 10 days but not more than 60 days prior to such meeting. Notices of meetings shall state the place, date, and time such meeting is to be held. Notices shall identify the type of meeting as annual, regular, or special, and shall state the particular purpose if a special meeting. Notices may also set forth any other items of information deemed appropriate by the board.

4.5. Ineligibility. The board may determine that the voting privileges of a Member delinquent for more than 30 days in the payment of Assessments are suspended on the record date provided below; provided, however, each ineligible Member shall be given notice of the arrearage and an opportunity to become eligible. The board may specify the manner, place and time for payment for purposes of restoring eligibility.

4.6. Record Dates.

4.6.1. **Determining Notice Eligibility.** The board shall fix a date as the record date for determining the Members entitled to notice of a meeting of the Association. The record date may not be more than 60 days before the date of a meeting of the Association at which members will vote.

4.6.2. **Determining Voting Eligibility.** The board shall fix a date as the record date for determining the Members entitle to vote at a meeting of the Association. The record date may not be more than 60 days before the date of a meeting of the Association at which members will vote.

4.6.3. **Determining Rights Eligibility.** The board shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding two paragraphs. The record date may not be more than 60 days before the date of the action for which eligibility is required, such as nomination to the board.

4.6.4. **Adjournments.** A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the board fixes a new date for determining the right to notice of the right to vote. The board must fix a new date for determining the right to notice of the right to vote. The board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the record date for determining Members entitled to notice of the original meeting.

4.7. **Voting Members List.** The board shall prepare and make available a list of the Association's voting Members in accordance with Section 22.158 of the Code.

4.8. **Quorum.** A quorum is present throughout any meeting of the Association if Members entitled to cast at least 20% of the votes that may be cast for election of the board are present in person or by proxy at the beginning of the meeting. Members present at a meeting at which a quorum is present at the beginning of the meeting may conduct business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

4.9. **Votes.** The vote of Members representing at least a majority of the votes cast at any meeting at which a quorum is present shall be binding upon all Members for all purposes, except when a higher percentage is required by the Governing Documents or by applicable law, such as the Act or the Code. There shall be no cumulative voting.

4.9.1. **Co-Owned Units.** If a unit is owned by more than one Member, the vote appurtenant to that unit shall be cast in accordance with Section 82.110(a) of the Act.

4.9.2. **Organization-Owned Units.** If a unit is owned by an organization (as defined in the Code), the vote appurtenant to that unit may be cast by any governing person of the organization in the absence of express notice of the designation of a specific person by the governing authority or governing documents of the owning organization. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of an organization is qualified to vote.

4.9.3. **Association-Owned Units.** Votes allocated to a unit owned by the Association shall be cast in the manner determined by the board.

4.10. **Proxies.** Votes may be cast in person or by written proxy. To be valid, each proxy shall (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the unit to which the vote is appurtenant; (iii) name the person in favor of whom the proxy is granted, such



person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary or to the person presiding over the Association meeting for which the proxy is designated. Unless the proxy specifies a shorter or longer time, it shall terminate one year after its date. To revoke a proxy, the granting Member must give actual notice of a revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting that is adjourned, recessed, or rescheduled is valid when such meeting reconvenes.

4.12. Conduct of Meetings. The President, or any person designated by the board, shall preside over meetings of the Association. The Secretary shall keep, or cause to be kept, the minutes of the meeting, which shall record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Governing Documents. Votes shall be tallied by persons appointed by the person presiding over the meeting.

4.13. Order of Business. Unless the notice of meeting states otherwise, the order of business at meetings of the Association shall be as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Reading and approval of minutes of preceding meeting
- Reports
- Election of directors (when required)
- Unfinished or old business
- New business

4.14. Adjournment of Meeting. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

4.15. Action without Meeting. Subject to board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The board may permit Members to vote by ballots delivered by hand, mail, facsimile transmission, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be

required by the Governing Documents or applicable law, such as the Act or the Code, shall constitute approval by written consent. This Paragraph may not be used to avoid the requirement of an annual meeting of the Members. This Paragraph shall not apply to the election of directors.

4.16. Telephone Meetings. Subject to board approval, Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute presence in person at the 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 5 RULES

5.1. Rules. The board shall have the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and the Governing Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the condominium; and (iii) the health, comfort, and general welfare of the Residents; provided, however, that such rules may not be in conflict with law or the Governing Documents. The board shall, at all times, maintain the then current and complete rules in a written form that can be copied and distributed to the Members.

5.2. Adoption and Amendment. Any rule may be adopted, amended, or terminated by the board, provided that the rule and the requisite board approval are properly recorded as a resolution in the minutes of the meeting of the board.

5.3. Notice and Comment. The board shall give written notice to an owner of each unit of any amendment, termination, or adoption of a rule, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least 10 days before the rule's effective date. The board may, but shall not be required, to give similar notice to Residents who are not Members. Any Member or Resident so notified shall have the right to comment orally or in writing to the board on the proposed action.

5.4. Distribution. Upon request from any Member or Resident, the board shall provide a current and complete copy of rules. Additionally, the board shall, from time to time, distribute copies of the current and complete rules to an owner of each unit and, if the board so chooses, to Residents who are not Members.

#### ARTICLE 6 ENFORCEMENT

The violation of any provision of the Governing Documents shall give the board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in the Governing Documents:

a. To enter the unit or limited common element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that unit) that is existing and creating a danger to the common elements contrary to the intent and meaning of the provisions of the Governing Documents. The board shall not be deemed liable for any manner of trespass by this action; or

b. To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE 7  
OBLIGATIONS OF THE OWNERS

7.1. Notice of Sale. Any owner intending to sell his unit or any interest therein shall give written notice to the board of such intention, together with (i) the address or legal description of the unit being conveyed, (ii) the name and address of the intended purchaser, (iii) the name, address, and telephone number of the title company or attorney designated to close such transaction, (iv) names and phone numbers of real estate agents, if any, representing seller or purchaser, and (v) scheduled date of closing. An owner shall furnish this information to the board no less than 10 working days before the date of conveyance of the unit or any interest therein.

7.2. Proof of Ownership. Except for those owners who initially purchase a unit from declarant, any person, on becoming an owner of a unit, shall furnish to the board evidence of ownership in the unit, which copy shall remain in the files of the Association.

7.3. Owners' Addresses. The owner or the several co-owners of a unit shall register and maintain one mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications. The owner shall keep the Association informed of the Member's current mailing address. If an owner fails to maintain a current mailing address with the Association, the address of that owner's unit shall be deemed to be his mailing address.

7.4. Registration of Mortgagees. An owner who mortgages his unit shall furnish the board with the name and address of his mortgagee. Each owner authorizes the Association to notify such mortgagee of any default by the owner under the Governing Documents.

7.5. Assessments. All owners shall be obligated to pay assessments imposed by the Association to meet the common expenses as defined in the declaration. A Member shall be deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the assessments made or levied against him and his unit.

7.6. Compliance with Documents. Each owner shall comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each owner shall always endeavor to observe and promote the cooperative purposes for which the condominium was established.

7.7. Other Obligations. In addition to and not in limitation of the foregoing, each owner must perform all the obligations described in Section 82.117 of the Act.

ARTICLE 8  
ASSOCIATION RECORDS

8.1. Records. The Association shall keep the following records:

a. Detailed financial records that comply with generally accepted accounting principles and that are sufficiently detailed to enable the Association to prepare a resale certificate under Section 82.157 of the Act.

b. The plans and specifications used to construct the condominium, except for buildings originally constructed before January 1, 1994.

c. The condominium information statement and any amendments prepared under Section 82.152 of the Act.

d. The names and mailing address of each unit owner.

e. Voting records, proxies, and correspondence relating to amendments to the Declaration.

f. Minutes of meetings of the Association and board.

g. To the extent not covered by the foregoing requirements, the Association must maintain the financial records and produce the annual reports described in Section 22.352 of the Code.

8.2. Inspection of Books and Records and Availability for Inspection. Books and records of the Association shall be made available for examination and copying pursuant to Section 82.114(b) of the Act and Section 22.351 of the Code. The Association must make its financial information available for public inspection for the time period and in the manner described in Section 22.353 of the Code.

ARTICLE 9  
NOTICES

9.1. Co-Owners. If a unit is owned by more than one person, notice to one co-owner shall be deemed notice to all co-owners.

9.2. Delivery of Notices. Any written notice required or permitted by these bylaws may be delivered personally, by mail, or by facsimile transmission. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the member at the address shown

on the Association's records. If transmitted by facsimile transmission, the notice is deemed delivered on successful transmission of the facsimile.

9.3. Waiver of Notice. Whenever any notice is required to be given to an owner, Member, or Director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member or Director at any meeting of the Association or board, respectively, shall constitute a waiver of notice by such member or director of the time, place and purpose of such meeting except as otherwise provided by the Code.

#### ARTICLE 10 DECLARANT PROVISIONS

10.1. Conflict. The provisions of this Article 10 shall control over any provision to the contrary elsewhere in these bylaws.

10.2. Board of Directors. The declarant will appoint the initial Directors named in the certificate of formation. During the Declarant Control Period, Article VIII of the declaration shall govern the number, qualification, and appointment of Directors and Officers. Any Director or Officer appointed by declarant may not be removed by the owners and may be removed by declarant only. Declarant has the right to fill the vacancy of any Director or Officer that occurs during the Declarant Control Period.

10.3. Election of Directors by Owners. Not later than the end of the Declarant Control Period the board will call a special meeting of the Members for the purpose of electing directors, whose terms will begin upon termination of the Declarant Control Period.

#### ARTICLE 11 AMENDMENTS TO BYLAWS

11.1. Power to Amend. These bylaws may be amended by the board. Any meeting at which an amendment to these bylaws will be considered must comply with the provisions of applicable law, such as Section 82.070 of the Act.

11.2. Declarant Protection. As long as the declarant owns a unit in the condominium, no amendment of these bylaws may affect the declarant's rights herein without the declarant's written and acknowledged consent. Specifically, this section and Article 10 may not be amended without the prior written approval of the declarant. The declarant's written consent shall be part of the amendment instrument.

#### ARTICLE 12 GENERAL PROVISIONS

12.1. Conflicting Provisions. If any provision of these bylaws conflicts with any provision of the Declaration, the Declaration prevails except to the extent the Declaration is

inconsistent with the Act. In the case of any conflict between the certificate of formation for the Association and these bylaws, the certificate of formation shall control.

12.2 Severability. Invalidation of any provision of these bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

12.3. Fiscal Year. The fiscal year of the Association shall be set by resolution of the board, and is subject to change from time to time as the board shall determine. In the absence of a resolution by the board, the fiscal year shall be the calendar year.

12.4. Waiver. No restriction, condition, obligation, or covenant contained in these bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same; irrespective of the number of violations or breaches thereof which may occur.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the bylaws of Galveston El Cortez Villas Owners' Association, a Texas nonprofit corporation, as adopted by the initial Board of Directors by Unanimous Written Consent of Directors in Lieu of Organizational Meeting dated October 12, 2007.

IN WITNESS WHEREOF, I hereunto set my hand as of October 12, 2007.

GALVESTON EL CORTEZ VILLAS  
OWNERS' ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_