

EXHIBIT I
RESIDENTIAL BYLAWS

[Residential Bylaws follow this cover page.]

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RESIDENTIAL BYLAWS
OF
THE VILLAS AT THE LANTANA CONDOMINIUM ASSOCIATION, INC.

THE VILLAS AT THE LANTANA CONDOMINIUM ASSOCIATION, INC.

RESIDENTIAL BYLAWS

ARTICLE I

Name and Address; Organization and Existence

Section 1.1 Name. The name of the Residential Association will be The Villas at The Lantana Condominium Association, Inc.

Section 1.2 Address. The office of the Residential Association will be at the place to be designated by the Residential Board of Directors, subject to change upon notice to the Members.

Section 1.3 Registered Agent. The Residential Association will have and continuously maintain in the State of Texas a registered agent whose office is identical with such registered office, as required by the TNCL. The registered office may be, but need not be, identical to the principal office in the State of Texas, and the registered office may be changed from time to time by the Residential Board of Directors. The initial registered office and registered agent are listed in the Residential Certificate of Formation.

Section 1.4 Organization and Existence. The Residential Association is a Texas nonprofit corporation organized in accordance with and validly existing under the TNCL. The Residential Certificate of Formation has been duly adopted by the Members as of the date hereof, and has been (or will be) filed in the office of the Secretary of State of the State of Texas as of the execution date of these Residential Bylaws.

ARTICLE II

Applicability

These Residential Bylaws will be applicable to the Residential Association. In accordance with the terms of the Residential Declaration, all Members and any other Persons permitted to use the Residential Common Elements will be subject to the Residential Governing Documents adopted from time to time by the Residential Board of Directors. Ownership of any Residence, or rental or occupancy of any portion of a Residence in the Residential Property will be conclusively deemed to mean that the Residence Owner, Residential Tenant or occupant has accepted, ratified and will comply with the Residential Governing Documents.

ARTICLE III

Purpose

The purpose of the Residential Association is to protect and enhance the value of the Residential Property, including, without limitation, providing for the management, maintenance, repair and replacement of the Residential Common Elements. The Residential Association does not contemplate pecuniary gain or profit to its Members as a result of membership in the Residential Association. In furtherance of the purpose as set forth herein, the Residential Association will be operated in accordance with the TNCL and the Act.

ARTICLE IV

Definitions and Interpretation

Section 4.1 Definitions. The following terms have the meanings set forth below. Any capitalized terms not expressly defined herein will have the same meaning as defined in the Residential Declaration.

"Act." The Uniform Condominium Act, Texas Property Code, Chapter 82, Section 82.001 et seq., as amended from time to time.

"Code." The Internal Revenue Code of 1986, as amended.

"County." Gillespie County, Texas.

"Director." A member of the Residential Board of Directors.

"GAAP." Generally accepted accounting principles, as promulgated by the Financial Accounting Standards Board.

"Insurance Trustee." Has the meaning set forth in Section 7.16(b)(iv) of these Residential Bylaws.

"Majority." More than half.

"Majority Vote of the Members." Except as otherwise provided by Texas Law or the Residential Governing Documents, the vote of Members who are Members in Good Standing holding, in the aggregate, a Majority of the votes entitled to be cast by the Members in Good Standing present or voting by legitimate proxy at a called meeting at which a Quorum is present.

"Manager." Any experienced and professional manager or management company with whom the Residential Association contracts for the day-to-day management of either or both of the Residential Property or the administration of the Residential Association and the Residential Condominium.

"Master Declaration." That certain Master Condominium Declaration for The Lantana Master Condominium, and all recorded amendments thereto, which will be recorded in the real property records of the County.

"Master Regulations." The rules and regulations of the Master Condominium initially adopted by the Board of Directors, if any, and as amended from time to time, relating to the appearance, use and occupancy of the Residential Property, including exterior appearance, use and occupancy of the Residences.

"Members." All present and future Residence Owners in the Residential Condominium.

"Members in Good Standing." Has the meaning set forth in the Residential Certificate of Formation.

"Membership List." Has the meaning assigned to such term in Section 5.3 of these Residential Bylaws.

"Minute Book." The minute book of the Residential Association, which will contain the minutes of all annual and special meetings of the Members and the Residential Board of Directors and all resolutions of the Residential Board of Directors.

"Person." Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association, or any other legal entity, including any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

"President." The officer of the Residential Association having the duties described in Section 8.4 of these Residential Bylaws.

"Quorum." Members in Good Standing holding 25% of the aggregate votes entitled to be cast by all Members represented at a meeting of the Members in person or by a legitimate proxy in a form approved by the Residential Board of Directors.

"Quorum of Directors." Has the meaning set forth in Section 7.13 of these Residential Bylaws.

"Reserve Fund." A fund to be established and maintained by the Residential Association to meet unforeseen expenditures of the Residential Association, to purchase any additional equipment or services deemed necessary by the Residential Association for operation of the Residential Condominium, and for any other purpose deemed necessary by the Residential Association, subject to the provisions of the Residential Declaration.

"Residential Association." The Villas at The Lantana Condominium Association, Inc., a Texas nonprofit corporation.

"Residential Board of Directors." Those individuals serving as Residential Board of Directors pursuant to Article VII of these Residential Bylaws and their successors.

"Residential Condominium." The Villas at The Lantana Condominium, formed pursuant to the Residential Declaration.

"Residential Declaration." That certain Residential Condominium Declaration for The Villas at The Lantana Condominium, and all recorded amendments thereto, which will be recorded in the real property records of the County.

"Residential Lien Indebtedness." Any bona fide indebtedness, which is the result of an arm's-length negotiation secured by a lien or encumbrance upon a Residence.

"Residential Mortgagee." Any Person that is the holder, insurer or guarantor of Residential Lien Indebtedness which has provided the Residential Association with written notice of its name, address and the description of the Residence on which it holds Residential Lien Indebtedness.

"Residential Property." The Residences and the Residential Common Elements.

"Residential Rules and Regulations." The rules and regulations of the Residential Association now or hereafter adopted by the Residential Board of Directors, if any, as amended from time to time, which Residential Regulations will apply to the Residences and Residence Owners in addition to, and not in lieu of, the provisions of the Master Regulations. If a conflict exists between the Master Regulations and the Residential Regulations, the stricter of the two standards or requirements will apply.

"Secretary." The officer of the Residential Association having the duties described in Section 8.6 of these Residential Bylaws.

"TBOC." The Texas Business Organizations Code, as amended from time to time.

"TNCL." The Texas Nonprofit Corporation Law, as amended from time to time.

"Treasurer." The officer of the Residential Association having the duties described in Section 8.7 of these Residential Bylaws.

"Vice President." The officer of the Residential Association having the duties described in Section 8.5 of these Residential Bylaws.

Section 4.2 Interpretation. Except as provided in Section 22.103 of the TNCL, in the event of any inconsistency between the provisions set forth in these Residential Bylaws and the Residential Certificate of Formation, the Residential Certificate of Formation will control. In the event of any inconsistency between the provisions set forth in these Residential Bylaws and the Residential Declaration, the Residential Declaration prevails except to the extent the Residential Declaration is inconsistent with the Act. If the Act, the TNCL, the TBOC or the Code are hereafter amended or changed, then both the Residential Declaration and these Residential Bylaws will be interpreted in a manner that conforms to the provisions of the Act with respect to condominium associations, and the TNCL, the TBOC or the Code with respect to nonprofit corporations, it being the intention to preserve the status of the Residential Association as a *bona fide* nonprofit corporation.

ARTICLE V

Members

Section 5.1 Membership.

(a) Each Residence Owner will automatically be a Member of the Residential Association. The voting rights and Residential Allocated Interests are set forth in the Residential Declaration.

(b) In cases where more than one Person owns a fee interest in a Residence, all such Persons will arrange among themselves for one of their number to exercise the voting rights appurtenant to their Residence. In no event will there be more than one vote for any Residence. If only one of the Persons who is a fee owner of such Residence is present at a meeting of the Members, then that Person may cast that Residence's vote. If more than one of the Persons who is a fee owner of such Residence is present and, after one such Person casts such Residence's vote, another Person who is a fee owner of such Residence is present and makes prompt protest to the Person presiding over the meeting, then such vote will not be counted unless all such Persons can unanimously agree on such vote by the end of the meeting. Each Person owning a portion of the fee interest in a Residence may vote or register protest to the casting of votes by the other Persons owning portions of the fee interest in the same Residence through a proxy duly executed by such Member. A Member may not revoke a proxy except by giving actual written notice of revocation to the Person presiding over the meeting.

(c) Membership of a Member in the Residential Association will automatically terminate when such Member ceases to be an Owner of a Residence; provided, however, that such termination will not release or relieve such Member from any liability or obligation under the Residential Declaration that was incurred during such Member's period of ownership of a Residence.

Section 5.2 Quorum; Act of Members. Quorum requirements with respect to any matter on which Members are entitled to vote and the number of affirmative votes required for Member acts are set forth in the Residential Certificate of Formation.

Section 5.3 Membership List. The Secretary will be responsible for maintaining or causing to be maintained, at the principal office of the Residential Association, an updated list of Members and their last known addresses as provided by each Member in such form and containing such other information as required by the TNCL (the "Membership List"). The Membership List will also show, opposite each Member's name, the address of the Residence owned. The Membership List will be revised by the Secretary to reflect changes in the ownership of the Residences occurring prior to the date of the annual or special meeting. The Membership List will be open to inspection by all Members and other Persons lawfully entitled to inspect the Membership List during regular business hours up to the date of the annual or special meeting. The Secretary will also keep current and retain custody of the Minute Book.

Section 5.4 Proxies. Votes may be cast by written proxy or by ballot. Written proxies may be submitted by United States mail, delivered to the office of the Residential Association, delivered directly to the Secretary or delivered in such other manner as directed by the Residential Association. A proxy vote will be defined as a written vote submitted by a Member which either states the specific vote of the Member with respect to the issues, resolutions or election being voted on by the Members at the annual or special meeting, or which is written permission for the Residential Board of Directors or a specific Director to exercise the Member's vote as the Residential Board of Directors or the specific Director sees fit. A proxy will be valid for the meeting specified in the proxy and any valid continuation of such meeting. Each proxy will be revocable unless otherwise expressly provided therein to be irrevocable. No proxy will be valid after 11 months from the date of its execution unless otherwise provided therein. A Member may not revoke a proxy except by giving actual written notice of revocation to the Person presiding over the meeting.

ARTICLE VI

Meetings of the Members

Section 6.1 Place of Annual and Special Meetings. All annual and special meetings of the Members will be held at the principal office of the Residential Association or at another suitable and convenient place permitted by law and fixed by the Residential Board of Directors from time to time and designated in the notices of the meetings. The Residential Board of Directors may also permit Members to attend annual and special meetings by means of remote electronic communication, including, telephonic, electronic, videoconferencing or the internet if each Person entitled to participate in the meeting consents to the meeting being held by means of that system, provided that each participant may communicate concurrently with every other participant; provided, however, that any Person attending an annual or special meeting by means of remote electronic communication must cast any vote through a proxy in accordance with Section 5.4 of these Residential Bylaws.

Section 6.2 Date of Annual Meetings. The first annual meeting of the Members will be held within one year of its formation. Thereafter, annual meetings of the Members will be held in January of each year or such other month as may be determined by a Majority of the Residential Board of Directors from time to time and on a date as will be fixed by the Residential Board of Directors and disclosed by written notice to the Members. The Members may transact any business that may properly come before the meeting.

Section 6.3 Notice of Annual Meetings. Subject to Section 82.070 of the Act, the Secretary will deliver notices of annual meetings to each Member by telephone, electronic mail, facsimile or by United States mail, with postage prepaid, directed to the most recent post office address, phone number, facsimile number or electronic mail address, as the same appears on the records of the Residential Association. This notice will be transmitted not less than 30 and not more than 60 days before the date of the meeting and will state the date, time and place of the meeting, the purpose or purposes thereof and the

items on the agenda, including the specific nature of any proposed amendment or change to the Residential Governing Documents. No business will be transacted at any annual meeting except as stated in the notice thereof.

Section 6.4 Special Meeting. A special meeting of the Members may be called by the President, a Majority of the Directors, or upon presentation to the Secretary of a petition stating the specific purpose of the special meeting, which petition has been signed by Members in Good Standing having not less than 33% of the aggregate votes entitled to be cast at such meeting.

Section 6.5 Notice of Special Meetings. Subject to Section 82.070 of the Act, the Secretary will mail or deliver notice of any special meeting of the Members to each Member. This notice will be transmitted not less than ten and not more than 60 days before the date of the meeting and will state the same items required by Section 6.3 of these Residential Bylaws for notices of annual meetings. No business will be transacted at any special meeting except as stated in the notice thereof.

Section 6.6 Agenda. The agenda at all meetings of the Members will include: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) approval of the minutes of the preceding meeting; (d) reports of officers and committees; (e) election of Directors, if applicable; (f) unfinished business, if any; (g) new business, as may properly come before the meeting; and (h) adjournment.

Section 6.7 Action without Meeting by Written Ballot. Any action which may be taken by the vote of the Members at a regular or special meeting, other than the election of Directors, may be taken without a meeting if done in compliance with relevant provisions of the TNCL. If an action is taken without a meeting, then the Residential Board of Directors shall distribute a written ballot to every Member entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Residential Association. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the Quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the proposal at a regular or special meeting authorizing the action. Such consent will be filed in the Minute Book. Any action taken by such written consent will have the same force and effect as a vote of the Members.

Section 6.8 Administration of Affairs. Subject to the provisions of the Residential Governing Documents, the Residential Board of Directors will govern the Residential Association.

ARTICLE VII

The Residential Board of Directors

Section 7.1 Authority; Number of Directors; Residential Declarant Control Period.

(a) The affairs of the Residential Association will be governed by the Residential Board of Directors. The Residential Board of Directors will fix the number of Directors from time to time through an amendment to these Residential Bylaws, but the number of Directors may be no less than three. The initial Directors will be three in number and will be those Directors named in the Residential Certificate of Formation. The initial Directors will serve until their successors are duly appointed or elected, as applicable, and qualified. Except as is provided in Section 10.2 of the Residential Declaration, Residential Declarant will have the right to appoint and remove members of the Residential Board of Directors until the termination of the Residential Declarant Control Period. If Residential Declarant voluntarily surrenders the right to appoint and remove Directors prior to the termination of the Residential Declarant Control Period, Residential Declarant may require that specified actions of the Residential

Board of Directors be subject to Residential Declarant approval until the expiration of the Residential Declarant Control Period.

(b) Each Director will be a Member, or in the case of an entity ownership of a Residence, a duly authorized agent or representative of the entity Owner. The entity Owner will be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

Section 7.2 Term of Directors and Compensation. Except as otherwise set forth herein and the Residential Declaration, each Director will serve for a term of two years and may serve an unlimited number of consecutive terms. Each Director will continue to hold office until his successor is duly appointed or elected, as applicable, and qualified. The Directors will serve without compensation for such service.

Section 7.3 Removal of Directors for Cause. If a Director breaches such Director's duties hereunder or violates the terms of the Residential Governing Documents, then such Director may be removed by Residential Declarant during the Residential Declarant Control Period and by a Majority vote of the remaining Directors following the expiration of the Residential Declarant Control Period. No Director will have any voting rights nor may such Director participate in any meeting of the Residential Board of Directors at any time that such Director is delinquent in the payment of any Residential Assessments or other charges owed to the Residential Association. Any Director that is 90 days delinquent in the payment of Residential Assessments or other charges for more than three consecutive times will be removed as a Director.

Section 7.4 Nominations to Residential Board of Directors. Persons may be nominated for election to the Residential Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position will be deemed to have been nominated for election upon his filing with the Residential Board of Directors of a written petition of nomination bearing the genuine signatures of at least five other Members; or

(b) A Director will be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek re-election in a writing addressed to the Residential Board of Directors.

Section 7.5 Election of Directors. The nominee, or nominees, as the case may be, receiving the highest number of votes will be elected to the Residential Board of Directors.

Section 7.6 Vacancies on the Residential Board of Directors. Except with respect to Directors appointed by Residential Declarant during the Residential Declarant Control Period (which vacancies will be filled by Residential Declarant), if the office of any Director will become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, then the remaining Directors, at a special meeting duly called for this purpose, will choose a successor within ten days of the vacancy. The successor Director will fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, then the one Director with the longest continuous term on the Residential Board of Directors will select the successor. At the expiration of the term of his position on the Residential Board of Directors, the successor Director will be re-elected or his successor will be elected in accordance with these Residential Bylaws.

Section 7.7 Removal of Directors by Members. Except with respect to Directors appointed by Residential Declarant during the Residential Declarant Control Period (the removal of which will only be caused by Residential Declarant), Directors may be removed, with or without cause, by a Majority Vote of the Members at a special meeting of the Members duly called for this purpose, notice of which

notice has been properly given as provided in these Residential Bylaws; provided the same notice of this special meeting has also been given to the entire Residential Board of Directors, including any individual Director whose removal is to be considered at this special meeting.

Section 7.8 Organizational Meeting of the Residential Board of Directors. No later than 20 days following each of (a) the filing of the Residential Certificate of Formation; (b) the termination of the Residential Declarant Control Period; and (c) each annual meeting of the Members, the Residential Board of Directors will hold a regular meeting for the purposes of organization, election of officers and transaction of other business. Notice of this meeting will be given to all Directors in accordance with Section 7.10 of these Residential Bylaws, except for the initial meeting, which will be called by Residential Declarant.

Section 7.9 Place of Meetings. All meetings of the Residential Board of Directors will be held at the principal office of the Residential Association or at any other place or places designated at any time by resolution of the Residential Board of Directors or by written consent of a Majority of all of the Directors. Any meeting of the Residential Board of Directors may be held by any means of remote electronic communication, including electronic, telephonic, videoconferencing or the internet if each person entitled to participate in the meeting consents to the meeting being held by means of that system, provided that each Director may communicate concurrently with every other Director, and any such meeting may involve consideration of any action, including any action involving a vote on a fine, damage assessment, appeal from a denial of architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Residential Board of Directors to present the Member's position on the issue.

Section 7.10 Regular Residential Board of Directors Meetings. Regular meetings of the Residential Board of Directors may be held at any time and place permitted by law as from time to time may be determined by the Residential Board of Directors pursuant to these Residential Bylaws. Subject to Section 82.070 of the Act, notice of regular meetings of the Residential Board of Directors will be given to each Director personally, by telephone, electronic mail, facsimile or by United States mail, with postage prepaid, directed to him at his last known post office address, phone number, facsimile number or electronic mail address, as the same appears on the records of the Residential Association, at least ten but not more than 40 days before the date of the meeting. This notice will state the date, time, place and purpose of the meeting.

Section 7.11 Special Meetings of the Residential Board of Directors. Special meetings of the Residential Board of Directors may be called by the President on his own accord or by the President or the Secretary upon the written request of any two Directors on at least three days' prior notice to each Director personally, by telephone, electronic mail, facsimile or by United States mail, with postage prepaid, directed to him at his last known post office address, phone number, facsimile number or electronic mail address, as the same appears on the records of the Residential Association, subject to Section 82.070 of the Act.

Section 7.12 Waiver of Notice. Before any meeting of the Residential Board of Directors, whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver will be deemed equivalent to giving the required notice, unless such participation is for the express purpose of objecting to the transaction of business at the meeting on the grounds that such meeting has not been lawfully called or convened. All written waivers will be filed in the Minute Book or made a part of the minutes of the meeting. Participation by a Director at any meeting of the Residential Board of Directors will likewise constitute a waiver by him of the required notice. If all Directors are present at any meeting of the Residential Board of Directors, then no notice of the meeting will be required and any business may be transacted at the meeting except as prohibited by law or these Residential Bylaws.

Section 7.13 Directors Quorum. At all duly convened meetings of the Residential Board of Directors, at least 51% of the Directors must be present (including by permitted electronic means) to constitute a quorum for the transaction of business, except as otherwise expressly provided in these Residential Bylaws (a "Quorum of Directors"). The vote of a Majority of the Directors present at the meeting at which a Quorum of Directors is present will be the act of the Residential Board of Directors, unless the Act, the TNCL, the TBOC, the Residential Certificate of Formation, or these Residential Bylaws requires the vote of a greater number of Directors to take such action.

Section 7.14 Consent in Writing. Any action by the Residential Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial of architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Residential Board of Directors to present the Member's position on the issue, may be taken without a meeting in accordance with the Residential Certificate of Formation. Such written consent may be delivered by mail, facsimile or email and will be filed in the Minute Book. Any action taken by such written consent will have the same force and effect as a vote of the Directors.

Section 7.15 Records. The Residential Board of Directors will cause a complete record of all of its acts and the corporate affairs of the Residential Association to be kept and to present a general report thereof to the Members at each annual meeting of the Members or at any special meeting of the Members where a general report is requested in writing by 51% of the Residential Allocated Interests. In addition to the general reports required to be provided at each annual meeting and any special meeting (if requested), any Member may request in writing a general report at any time and from time to time, and the Residential Board of Directors will deliver same within a reasonable period of time following receipt of such written request (provided that the Residential Board of Directors will not be obligated to deliver a general report to such Member more than one time in any 12 month period, exclusive of the general reports required to be delivered at annual meetings and special meetings as set forth above in this Section 7.15).

Section 7.16 Powers and Duties. Subject to the Residential Governing Documents, the Residential Board of Directors will have and may exercise all powers and duties necessary for the proper administration of the affairs of the Residential Association. In the performance of its duties as the governing body of the Residential Association, subject to limitations set forth in the Residential Governing Documents, the Residential Board of Directors will have all powers enumerated in Section 82.102 of the Act (except as otherwise provided in the Residential Governing Documents), and in addition to those powers and duties set forth in the Act and the Residential Governing Documents, the Residential Board of Directors will have the powers and duties including, but not limited to, those enumerated below; provided, however, that each such power and duty is subject to the terms and conditions of the other Residential Governing Documents, including, without limitation, any limitations set forth in another Residential Governing Document regarding the scope or exercise of the duties and powers listed below. Each Director individually and the Residential Board of Directors collectively will perform the duties and powers of the Residential Board of Directors in good faith as a fiduciary of the Residential Association, in a manner which the Director believes to be in the best interest of the Residential Association and with the care of a person of ordinary prudence under similar circumstances, including, but not limited to, reasonable inquiry, skill and diligence.

(a) Duties:

- (i) provide for the operation, maintenance, management, insurance, cleaning, sanitation, renewal, replacement, care and upkeep consistent with the Residential Maintenance Standard and the Project Standard (as defined in the Master Declaration) of the Residential Common Elements and all property, real or personal, of the Residential Association;

(ii) determine the Residential Common Expenses and any other charges comprising the operating expenses of the Residential Association, establish the amount of Monthly Residential Assessments, as the same may increase or decrease, and assess the same against the Members in accordance with the provisions of the Residential Governing Documents;

(iii) levy and collect, in addition to Monthly Residential Assessments, Special Residential Assessments in amounts which the Residential Board of Directors deems proper, whenever the Residential Board of Directors is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs consistent with the Residential Maintenance Standard and the Project Standard or additional capital expenses or because of emergencies subject to the limitations specified in the Residential Declaration;

(iv) levy and collect Additional Residential Assessments in amounts which the Residential Board of Directors deems proper;

(v) use and expend any sums collected from Monthly Residential Assessments and Special Residential Assessments for the operation, maintenance, renewal, care and upkeep of the Residential Common Elements consistent with the Residential Maintenance Standard and the Project Standard;

(vi) maintain the Residential Common Elements consistent with the Residential Maintenance Standard and the Project Standard;

(vii) maintain the Reserve Fund out of Monthly Residential Assessments;

(viii) collect and maintain the fund of the Working Capital Contributions;

(ix) pay all taxes and assessments levied or assessed against any property that may be owned by the Residential Association, exclusive of any taxes or assessments levied against any Member or otherwise properly chargeable to the Member;

(x) collect delinquent Residential Assessments against any Residence and the Residence Owner thereof, whether by suit or otherwise, and to abate any nuisance and enforce the terms of the Residential Declaration and the observance of the Residential Governing Documents by injunction or other legal action or means which the Residential Board of Directors may deem necessary or appropriate;

(xi) establish operating, replacement fund, working capital fund, escrow and other accounts in the name of the Residential Association as the Residential Board of Directors may deem appropriate from time to time and as may be consistent with GAAP;

(xii) adopt a Residential Budget for each fiscal year which will contain estimates of the Residential Common Expenses and the proposed Monthly Residential Assessments sufficient to pay all Residential Common Expenses in accordance with the Residential Governing Documents;

(xiii) cause a complete review of the books and accounts of the Residential Association to be made by a competent independent public accountant at the end of each fiscal year and at any other time or times deemed necessary;

(xiv) maintain accounting records in accordance with GAAP;

(xv) enforce the Residential Governing Documents against any Person who owns or uses any portion of the Residential Condominium; and

(xvi) make and enforce rules for compliance with the Residential Governing Documents relative to the operation, use and occupancy of the Residential Property, including, but not limited to, penalties to be levied for violations of the Residential Governing Documents, and to amend the same from time to time as and when approved by appropriate resolutions which will be binding on the Residence Owners, Residential Tenants and occupants of the Residences, their successors in title and assigns. A copy of the Master Regulations and the Residential Rules and Regulations and copies of any amendments thereto will be delivered or mailed to each Residence Owner and any Residential Tenant or occupant of a Residence Owner's Residence promptly upon any adoption thereof.

(b) Powers:

(i) employ and dismiss personnel of the Residential Association, and purchase or arrange for those services, machinery, equipment, tools, materials and supplies as, in the opinion of the Residential Board of Directors, may from time to time be necessary for the proper operation and maintenance of the Residential Common Elements;

(ii) subject to Section 7.19 of these Residential Bylaws, enter into contracts for professional management of the Residential Property and the Residential Association, at such prices and upon such terms as may be determined by the Residential Board of Directors, and perform those duties and services which the Residential Board of Directors may lawfully delegate;

(iii) employ or retain and receive advice from professional counsel and consultants, including, but not limited to, landscape architects, architects, engineers, planners, biologists, lawyers and accountants, which the Residential Board of Directors may deem necessary for any proper purposes of the Residential Association, and fix the compensation for professional advice or services, including, but not limited to, those hereinbefore or hereinafter referred to in these Residential Bylaws. The Residential Board of Directors will be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following: (A) one or more officers or employees of the Residential Association whom the Residential Board of Directors reasonably believes to be reliable and competent in the matter presented; (B) counsel, public accountants or other Persons as to the matters which the Residential Board of Directors reasonably believes to be within the professional or expert competence of this Person; and (C) a committee of the Residential Board of Directors duly designated in accordance with law, as to matters within its designated authority, which committee the Residential Board of Directors reasonably believes to merit confidence. The Residential Board of Directors will not be considered to be acting in good faith if it has knowledge concerning the matter in question that would cause this reliance to be unwarranted;

(iv) name as a trustee, on behalf of the Residential Association, the Residential Association's authorized representative, including any trustee with which the Residential Association may enter into any insurance trust agreement or any successor to this trustee (each of which will be referred to herein as the "Insurance Trustee"), to be given exclusive authority to negotiate losses under any policy providing property or liability insurance coverage. The Residential Association or any Insurance Trustee or substitute Insurance Trustee designated by the Residential Association will have the exclusive power to act as attorney-in-fact for the

purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, execution of releases of liability and the execution of all documents and the performance of all other acts necessary to accomplish these purposes;

(v) establish depositories for the funds of the Residential Association with the bank or banks as will be designated from time to time by the Residential Board of Directors and in which monies of the Residential Association will be deposited. Withdrawal of monies will be only by check signed by those Persons who are authorized by the Residential Board of Directors to sign checks on behalf of the Residential Association, including Manager;

(vi) invest monies of the Residential Association in any investments which the Residential Board of Directors deems to be reasonably prudent;

(vii) borrow and repay monies and give notes, mortgages or other security upon the terms which are deemed reasonable by the Residential Board of Directors;

(viii) acquire by purchase, gift, annexation or lease, real or personal property, if, at any time in the future, the Residential Board of Directors deems it to be proper and not inconsistent with the terms hereof to do so;

(ix) grant and reserve easements, leases, licenses or concessions where necessary or desirable for utilities, routes of ingress and egress, or any other purpose, over the Residential Common Elements and to amend the Residential Map to show such interests;

(x) establish a form of estoppel certificate acceptable to the Residential Association for delivery to prospective purchasers and lenders and an appropriate charge for furnishing such certificate;

(xi) enforce the Residential Governing Documents against any Person who owns or uses a portion of the Residential Condominium; and

(xii) do all things incidental and necessary to the accomplishment of the foregoing.

The duties imposed on and powers granted to the Residential Board of Directors by this Section will not be amended so as to reduce, eliminate or expand any duties or powers of the Residential Board of Directors without the affirmative vote of 67% of the votes of the Members voting at the meeting at which a Quorum is present called to consider such amendment.

Section 7.17 Annual Budget and Assessments. Copies of the Residential Budget for the upcoming fiscal year of the Residential Association setting forth the proposed annual Residential Common Expenses, proposed reserves and proposed Residential Assessments will be prepared by the Residential Board of Directors and distributed to all Members prior to the beginning of each fiscal year of the Residential Association and will be available to all Members for inspection during regular business hours at the Residential Association's office. If the Residential Budget is subsequently amended before the Residential Assessments are made, then a copy of the amended Residential Budget will also be distributed and made available for inspection. Reserve Funds will include reasonable amounts to be credited, allocated or accumulated for replacement of those Residential Common Elements consistent with the Residential Maintenance Standard and the Project Standard that require replacement, renovation or rehabilitation periodically. Subject to the provisions of the Residential Declaration, nothing herein contained will be construed as restricting the right of the Residential Board of Directors, at any time and

in its sole discretion, to levy a Special Residential Assessment in the event that the Residential Budget as originally adopted will appear to be insufficient to pay the cost of the operation or management of the Residential Property consistent with the Residential Maintenance Standard and the Project Standard or in the event of emergencies. Additional Residential Assessments will also be established in accordance with Article VII of the Residential Declaration for sums owed to the Residential Association or a Residence Owner as further described therein.

Section 7.18 Management Certificate. The Residential Association will record in the County a certificate, signed and acknowledged by an officer of the Residential Association stating:

- (a) the name of the Residential Condominium;
- (b) the name of the Residential Association;
- (c) the location of the Residential Condominium;
- (d) the recording data for the Residential Declaration;
- (e) the mailing address of the Residential Association; and
- (f) other information the Residential Association considers appropriate.

A corrected certificate will be recorded within 30 days after the Residential Association receives notice of a change in any of the information listed in this Section 7.18.

Section 7.19 Manager. To facilitate management of the Residential Property and the administration of the Residential Association, the Residential Board of Directors may delegate to a Manager responsibility for the management, administration, maintenance and operation of the Residential Association and Residential Property, pursuant to an agreement approved by the Residential Board of Directors. After a Manager has been appointed, no decision by the Residential Association to manage its own affairs without a Manager will be effective unless and until approved by an affirmative vote of the Members holding 67% of the votes of the Members in Good Standing at the meeting called to consider such matter with the written consent of not less than 51% of the Residential Mortgagees.

Section 7.20 Open Meeting. Meetings of the Members and the Residential Board of Directors will be open to all Members. Subject to applicable law, the Residential Board of Directors will have the right to adjourn a meeting and reconvene in a private, closed executive session to consider any actions involving personnel, pending litigation, contract negotiations, or enforcement actions, or upon the request of an affected party, or to consider matters that are confidential in the opinion of the Residential Board of Directors; provided, however, the Residential Board of Directors will announce the general nature of the business to be considered in such executive session prior to adjourning the meeting.

Section 7.21 Director Proxies. Director votes may be cast by written proxy or by ballot. Written proxies may be submitted by United States mail, delivered to the office of the Residential Association, delivered directly to the Secretary or delivered in such other manner as directed by the Residential Association. A proxy vote will be defined as a written vote submitted by a Director which either states the specific vote of the Director with respect to the issues, resolutions or election being voted on by the Directors to exercise the Director's vote as the Director sees fit. A proxy will be valid for the meeting specified in the proxy or any valid continuation of such meeting. Each proxy will be revocable unless otherwise expressly provided therein to be irrevocable. No proxy will be valid after three months

from the date of its execution. A Director may not revoke a proxy except by giving actual written notice of revocation to the Person presiding over the meeting.

ARTICLE VIII

Officers

Section 8.1 Officers. The officers of the Residential Association will be a President, one or more Vice Presidents, a Secretary and a Treasurer. The same individual may not hold the offices of President and Secretary. The Secretary may be eligible to hold the office of Treasurer. The President and the Treasurer must also be Directors. The Vice President and Secretary need not be a Director.

Section 8.2 Election. Except as set forth herein, the officers of the Residential Association will be elected annually by the Residential Board of Directors at the organizational meeting held pursuant to Section 7.8 of these Residential Bylaws and will hold office until their successors are elected or appointed by the Residential Board of Directors; provided that each officer may be removed, either with or without cause, whenever in the best interest of the Residential Association, and his successor will be elected by the affirmative vote of a Majority of the Directors at any annual or special meeting of the Residential Board of Directors called for that purpose. The officers will each serve for a term of two years; provided, however, if such officer is also a Director, then the officer will serve until the earlier to occur of either (a) two years from the election of such officer or (b) until such officer is no longer a Director. The officers may serve an unlimited number of consecutive terms. The Residential Board of Directors may, from time to time, appoint other officers who, in its judgment, are necessary or desirable for the operation of the Residential Association. Any officer may resign at any time by giving written notice to the Residential Board of Directors or to the President or Secretary of the Residential Association. Any resignation will take effect as of the date of the receipt of such notice or any later time specified therein; unless specified therein, the acceptance of a written resignation will not be necessary to make it effective.

Section 8.3 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause will be filled by election by the affirmative vote of a Majority of the Directors at any annual or special meeting of the Residential Board of Directors called for that purpose.

Section 8.4 President. The President will be the chief executive officer of the Residential Association and will preside at all meetings of the Members and the Residential Board of Directors. The President will have the general powers and duties usually vested in the office of the president of a community association, including, but not limited to, the power to appoint committees from the Members from time to time as he may deem appropriate to assist in the conduct of the affairs of the Residential Association; provided, however, no such committee will have the right to exercise the full authority of the Residential Board of Directors. The President will be an ex-officio member of all standing committees, if any. The President will execute deeds, contracts and other instruments, in the name and on behalf of the Residential Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed, and except when the signing and execution thereof will be delegated by the Residential Board of Directors to another officer or agent of the Residential Association. The President will also serve as the representative of the Residential Condominium on the Master Association's Board of Directors.

Section 8.5 Vice President. In the absence of the President or in the event of the President's inability or refusal to act, a Vice President will perform the duties of the President, and when so acting will have all the powers of and be subject to all of the restrictions upon the President. Any Vice President will have only such powers and perform only such duties as the Residential Board of Directors may from time to time prescribe or as the officers may from time to time delegate.

Section 8.6 Secretary. The Secretary will attend all meetings of the Residential Board of Directors and all meetings of the Members and record or cause to be recorded all votes and the minutes of all meetings and proceedings, including resolutions, in the Minute Book. The Secretary will perform the same duties for any committees when required. The Secretary will (a) have charge and custody of the Minute Book, the records of the Residential Association and any papers which the Residential Board of Directors will direct the Secretary to keep; (b) perform all duties incident to the office of Secretary, including, but not limited to, the sending of notice of meetings to the Members, the Directors and members of any committees; and (c) perform any other duties which may be prescribed by these Residential Bylaws or by the Residential Board of Directors or the President. The Secretary will also have custody of the corporate seal and will affix the same to any instrument requiring it when authorized by the Residential Board of Directors and will attest or certify the same when appropriate. The Secretary will keep, or cause to be kept, at the principal office of the Residential Association, a membership register showing the following: (a) the names and addresses of all Directors; (b) the Membership List; and (c) the vote of each Member. The Secretary will prepare, execute and cause the recordation of amendments to the Residential Declaration on behalf of the Residential Association except when the preparation, execution and recordation thereof will be delegated by the Residential Board of Directors to another officer or agent of the Residential Association. Nothing will prohibit the functions of the Secretary to be delegated to an agent of the Residential Association provided this delegation is approved by resolution of the Residential Board of Directors. The delegation of the duties of the Secretary will not relieve the Secretary from any responsibility related to overseeing and reviewing any duties performed by the agent.

Section 8.7 Treasurer. The Treasurer will have the responsibility for the Residential Association's funds and securities, will keep full and accurate accounts of receipts and disbursements in books belonging to the Residential Association, and will deposit all monies, checks and other valuable effects in the name of and to the credit of the Residential Association in those depositories which may be designated from time to time by the Residential Board of Directors. The Treasurer will disburse the funds of the Residential Association, as the Treasurer may be ordered to do from time to time by the Residential Board of Directors or by the President, and will render to the President and the Directors at the regular meetings of the Residential Board of Directors, or whenever they or either of them will require, an account of his transactions as Treasurer and of the financial condition of the Residential Association. Nothing will prohibit the functions of the Treasurer to be delegated to an agent of the Residential Association provided this delegation is approved by resolution of the Residential Board of Directors. The delegation of the duties of the Treasurer will not relieve the Treasurer from any responsibility related to overseeing and reviewing any duties performed by the agent.

Section 8.8 Compensation. The officers of the Residential Association will serve without compensation except that they will be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE IX

Liability, Indemnification of Directors, Officers and Other Authorized Representatives

The liability and indemnification of Directors, officers and other authorized representatives of the Residential Association is addressed in the Residential Certificate of Formation.

ARTICLE X

Residential Association Books and Records

The Residential Association will keep or cause to be kept (a) detailed financial records of the Residential Association in sufficient detail to enable the Residential Association to prepare a resale

certificate in accordance with the provisions of Section 82.157 of the Act; (b) the plans and specifications used to construct the Master Condominium, and any separate plans and specifications used to construct the Residential Condominium; (c) the Membership List; (d) voting records, proxies and correspondence relating to all amendments to the Residential Declaration; and (e) the minutes of all meetings of the Members and the Residential Board of Directors. All books and records of the Residential Association will be available for inspection for any proper purpose by the Residence Owners, Residential Mortgagees and their respective agents and representatives, during normal business hours. All books and records of the Residential Association will be kept in accordance with GAAP, consistently applied, and will be audited at least once a year. If the Residential Board of Directors or a Majority of the Members request the same, then such audit will be performed by an independent certified public accountant. If requested in writing by a Member or Residential Mortgagee, then the Residential Association will furnish such requesting Member or Residential Mortgagee copies of the audited financial statements of the Residential Association within 120 days following the end of each fiscal year of the Residential Association. The Residential Board of Directors will further make available for the inspection by Members, Residential Mortgagees and their respective agents and representatives, during normal business hours, the current version of the Residential Governing Documents and all other documents affecting the Residential Association, the Residence Owners, or the Residential Property, as well as all amendments thereto and revisions thereof. Declarant will furnish copies of the information set forth in this Article X to the Residential Association on the date the first Residence is conveyed to a Residence Owner. For purposes of this paragraph, "available" will mean available for inspection, upon reasonable advance request of not less than 24 hours, during regular business hours at the office of the Residential Association or the office of a Manager of the Residential Association. The cost of any copies will be reimbursed to the Residential Association at a rate set by the Residential Board of Directors.

ARTICLE XI

Winding Up and Termination

Upon the winding up of the Residential Association, the real and personal property of the Residential Association will be distributed pursuant to the provisions of the Residential Certificate of Formation or, if no such provision is made, distributed to one or more organizations which are exempt from taxation under Section 501(c)(3) of the Code.

ARTICLE XII

Miscellaneous

Section 12.1 Fiscal Year. The fiscal year of the Residential Association will be the calendar year unless the Residential Board of Directors will determine otherwise.

Section 12.2 Amendments to Residential Bylaws.

(a) These Residential Bylaws may be amended from time to time by the (i) Majority Vote of the Members voting at a meeting called to consider such amendment or (ii) Residential Board of Directors.

(b) Members must be given notice of the meeting to vote about such amendment not less than ten or more than 20 days preceding the date of the meeting. Any such notice will include the specific amendment or other change proposed to be made to these Residential Bylaws.

(c) Notwithstanding any other provision of these Residential Bylaws, at no time will any amendment be made to these Residential Bylaws that would affect or change any power granted to Residential Declarant without the prior written consent of Residential Declarant.

Section 12.3 Inspection of Residential Bylaws. The Residential Association will keep in its principal office the original or a copy of these Residential Bylaws, as amended or otherwise altered to date, certified by the Secretary, which will be open to inspection by the Members during normal business hours.

Section 12.4 Membership Minutes. The membership register and the Minute Book will be open to inspection within one business day of demand of any Member during the normal business hours of the Residential Association, for purposes reasonably related to the interests of such Member.

Section 12.5 Unilateral Decisions. Pursuant to the Master Declaration, any matter which constitutes a Unilateral Decision will be implemented by the proposing Owner who may take all appropriate actions necessary or desired to accomplish the purpose of the Unilateral Decision and may, without any approval, consent, meeting or vote of the Owners, Members or Board of Directors of the Master Association or approval of the Mortgagees or the Residence Owners, Members or Residential Board of Directors or approval of the Residential Mortgagees, amend the Governing Documents in any manner necessary to effectuate an Owner's Unilateral Decision. Any such amendment to effectuate a Unilateral Decision will be evidenced by a written instrument executed and acknowledged by an officer of the Master Association on behalf of the Owners and any other party that may be required to execute and acknowledge such amendment pursuant to the terms of the Master Declaration which party will execute and acknowledge the same within five business days of being requested to take such action. Any amendment effected pursuant to the Master Declaration will be binding upon the Master Association and all of the Owners and Mortgagees. Any capitalized terms used in this Section 12.5 that are not defined in these Residential Bylaws or the Residential Declaration has the meaning assigned to such terms in the Master Declaration.

Section 12.6 Construction. Number and gender as used in these Residential Bylaws will extend to and include both singular and plural and all genders as the context and construction require.

[Remainder of this page intentionally left blank.]

Executed to be effective as of _____, 2025.

**THE VILLAS AT THE LANTANA CONDOMINIUM
ASSOCIATION, INC.,** a Texas nonprofit corporation

By: _____

Name: _____

Title: _____