

AFTER RECORDING RETURN TO:

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REGENCY AT ESPERANZA AQ
COMMUNITY MANUAL

TOLL WEST, INC., a Delaware corporation, as the Declarant under that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded under Document No. 2022-371404, Official Public Records of Kendall County, Texas (the "AQ Declaration"), and the initial and sole member of Regency at Esperanza AQ Community, Inc., a Texas non-profit corporation (the "Regency at Esperanza AQ Association"), certifies that this Regency at Esperanza AQ Community Manual was adopted as part of the initial project documentation for the Lots subject to the AQ Declaration. This Regency at Esperanza AQ Community Manual becomes effective when Recorded.

IN WITNESS WHEREOF, the undersigned has executed this Regency at Esperanza AQ Community Manual on the 10th day of APRIL, 2023.

DECLARANT:

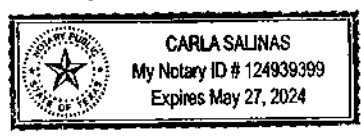
TOLL WEST, INC.,
a Delaware corporation

By: Eyal Arnon
Name: Eyal Arnon
Title: DIVISION PRESIDENT

THE STATE OF TEXAS §
 §
COUNTY OF Bexar §

This instrument was acknowledged before me on April 10, 2023, by Eyal Arnon, Division President of TOLL WEST, INC., a Delaware corporation, on behalf of said corporation.

(SEAL)



Carla Salinas
Notary Public Signature

Cross-reference to Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded under Document No. 2022-371404, Official Public Records of Kendall County, Texas, as the same may be amended from time to time.

REGENCY AT ESPERANZA AQ COMMUNITY, INC.

REGENCY AT ESPERANZA AQ COMMUNITY MANUAL

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ATTACHMENT 1

REGENCY AT ESPERANZA AQ CERTIFICATE OF FORMATION

[SEE ATTACHED]

**CERTIFICATE OF FORMATION
OF
REGENCY AT ESPERANZA AQ COMMUNITY, INC.**

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a nonprofit corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE I
NAME**

The name of the corporation is Regency at Esperanza AQ Community, Inc. (hereinafter called the "Regency at Esperanza AQ Association").

**ARTICLE II
NONPROFIT CORPORATION**

The Regency at Esperanza AQ Association is a nonprofit corporation.

**ARTICLE III
DURATION**

The Regency at Esperanza AQ Association shall exist perpetually.

**ARTICLE IV
PURPOSE AND POWERS OF THE REGENCY AT ESPERANZA AQ ASSOCIATION**

The Regency at Esperanza AQ Association is organized in accordance with, and shall operate for nonprofit purposes, pursuant to the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. In furtherance of its purposes, the Regency at Esperanza AQ Association shall have the following powers which, unless indicated otherwise by this Certificate of Formation, that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] [Regency at Esperanza AQ Community, Inc.], recorded in the Official Public Records of Kendall County, Texas, as the same may be amended from time to time (the "AQ Declaration"), the Regency at Esperanza AQ Bylaws, or Applicable Law, may be exercised by the Regency at Esperanza AQ Board:

- (a) all rights and powers conferred upon nonprofit corporations by Applicable Law;
- (b) all rights and powers conferred upon property associations by Applicable Law, in effect from time to time, provided, however, that the Regency at Esperanza AQ Association shall not have the power to institute, defend, intervene in, settle or compromise proceedings (i) in the name of any Regency at Esperanza AQ Member or Owner (whether one or more); or (ii) pertaining to a Claim, as defined in Section 8.01 of the AQ Declaration relating to the design or construction of Improvements on a Lot (whether one or more).
- (c) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Regency at Esperanza AQ Association as set out in this Certificate of Formation, the Regency at Esperanza AQ Bylaws, the AQ Declaration, or Applicable Law.

Notwithstanding any provision in *Article XIV* to the contrary, any proposed amendment to the provisions of this *Article IV* shall be adopted only upon an affirmative vote of Regency at Esperanza AQ Members holding one-hundred percent (100%) of the total number of votes of the Regency at Esperanza AQ Association and the Declarant.

Terms used but not defined in this Certificate of Formation, shall have the meaning subscribed to such terms in the AQ Declaration.

**ARTICLE V
INITIAL ADDRESS; REGISTERED OFFICE; REGISTERED AGENT**

The initial address for the Regency at Esperanza AQ Association to receive state franchise tax correspondence is 401 Congress Avenue, Suite 2100, Austin, Texas 78701. The street address of the initial registered office of the Regency at Esperanza AQ Association is 401 Congress Avenue, Suite 2100, Austin, Texas 78701. The name of its initial registered agent at such address is Robert D. Burton.

**ARTICLE VI
MEMBERSHIP**

Membership in the Regency at Esperanza AQ Association shall be dependent upon ownership of a qualifying property interest as defined and set forth in the AQ Declaration. Any person or entity acquiring such a qualifying property interest shall automatically become a member of the Regency at Esperanza AQ Association, and such membership shall be appurtenant to, and shall run with, the property interest. The foregoing shall not be deemed or construed to include persons or entities holding an interest merely as security for performance of an obligation. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the qualifying property interest, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage, or alienation shall be void.

**ARTICLE VII
VOTING RIGHTS**

Voting rights of the members of the Regency at Esperanza AQ Association shall be determined as set forth in the AQ Declaration.

**ARTICLE VIII
INCORPORATOR**

The name and street address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Robert D. Burton	401 Congress Avenue, Suite 2100 Austin, Texas 78701

**ARTICLE IX
REGENCY AT ESPERANZA AQ ASSOCIATION BOARD OF DIRECTORS**

The affairs of the Regency at Esperanza AQ Association shall be managed by an initial Board of Directors consisting of three (3) individuals, who need not be members of the Regency at Esperanza AQ

Association. The Regency at Esperanza AQ Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors of nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Regency at Esperanza AQ Association may be changed by amendment of the Regency at Esperanza AQ Bylaws. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Emma Dickson	15347 San Pedro Avenue San Antonio, Texas 78232
Jeremiah Harris	15347 San Pedro Avenue San Antonio, Texas 78232
Jeff Burnette	15347 San Pedro Avenue San Antonio, Texas 78232

All of the powers and prerogatives of the Regency at Esperanza AQ Association shall be exercised by the Board of Directors named above until their successors are elected or appointed in accordance with the AQ Declaration.

ARTICLE X LIMITATION OF DIRECTOR LIABILITY

A member of the Board of Directors of the Regency at Esperanza AQ Association shall not be personally liable to the Regency at Esperanza AQ Association for monetary damages for any act or omission in his capacity as a board member, except to the extent otherwise expressly provided by Applicable Law. Any repeal or modification of this *Article X* shall be prospective only, and shall not adversely affect any limitation of the personal liability of a member of the Board of Directors existing at the time of the repeal or modification.

ARTICLE XI INDEMNIFICATION

Each person who acts as a member of the Board of Directors, officer or committee member of the Regency at Esperanza AQ Association shall be indemnified by the Regency at Esperanza AQ Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his or her being or having been a member of the Board of Directors, officer, or committee member of the Regency at Esperanza AQ Association, or by reason of any action alleged to have been taken or omitted by him or her in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in *Section 5.07* of the AQ Declaration.

**ARTICLE XII
DISSOLUTION**

The Regency at Esperanza AQ Association may be dissolved with the written and signed assent of not less than ninety percent (90%) of the total number of votes of the Regency at Esperanza AQ Association, as determined under the AQ Declaration. Upon dissolution of the Regency at Esperanza AQ Association, other than incident to a merger or consolidation, the assets of the Regency at Esperanza AQ Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Regency at Esperanza AQ Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

**ARTICLE XIII
ACTION WITHOUT MEETING**

Any action required or permitted by Applicable Law to be taken at a meeting of the Regency at Esperanza AQ Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by the Regency at Esperanza AQ Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all the Regency at Esperanza AQ Members entitled to vote thereon were present. If the action is proposed by the Regency at Esperanza AQ Association, the Board of Directors shall provide each member of the Regency at Esperanza AQ Association written notice at least ten (10) days in advance of the date the Board of Directors proposes to initiate securing consent as contemplated by this *Article XIII*. Consents obtained pursuant to this *Article XIII* shall be dated and signed within sixty (60) days after receipt of the earliest dated consent and delivered to the Regency at Esperanza AQ Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Regency at Esperanza AQ Association and shall have the same force and effect as a vote of the Regency at Esperanza AQ Members at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Regency at Esperanza AQ Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

**ARTICLE XIV
AMENDMENT**

Except as otherwise provided by the terms and provisions of *Article IV* of this Certificate of Formation, this Certificate of Formation may be amended by the Declarant during the Development Period or by a Majority of the Regency at Esperanza AQ Board; provided, however, that any amendment to this Certificate of Formation by a Majority of the Regency at Esperanza AQ Board must be approved in advance and in writing by the Declarant during the Development Period.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 9th day of March, 2023.



Robert D. Burton, Incorporator

ATTACHMENT 2

REGENCY AT ESPERANZA AQ BYLAWS
OF
REGENCY AT ESPERANZA AQ COMMUNITY, INC.

ARTICLE I
INTRODUCTION

The name of the corporation is Regency at Esperanza AQ Community, Inc., a Texas non-profit corporation, hereinafter referred to as the "Regency at Esperanza AQ Association". The principal office of the Regency at Esperanza AQ Association shall initially be located in Kendall County, Texas, but meetings of Regency at Esperanza AQ Members and Directors may be held at such places within the State of Texas, County of Kendall, as may be designated by the Regency at Esperanza AQ Board as provided in these Bylaws.

The Regency at Esperanza AQ Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over], recorded in the Official Public Records of Kendall County, Texas (the "AQ Declaration"), including the number, qualification, appointment, removal, and replacement of Directors.

ARTICLE II
DEFINITIONS

Capitalized terms used but not defined in these Bylaws shall have the meaning subscribed to such terms in the AQ Declaration.

ARTICLE III
MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 3.1. Membership. Each Owner of a Lot is a mandatory member of the Regency at Esperanza AQ Association, as more fully set forth in the AQ Declaration.

Section 3.2. Place of Meetings. Meetings of the Regency at Esperanza AQ Association shall be held where designated by the Regency at Esperanza AQ Board, either within the AQ Development Area or as convenient as possible and practical.

Section 3.3. Annual Meetings. There shall be an annual meeting of the Regency at Esperanza AQ Members of the Regency at Esperanza AQ Association for the purposes of Regency at Esperanza AQ Association-wide elections or votes and for such other Regency at Esperanza AQ Association business at such reasonable place, date and time as set by the Regency at Esperanza AQ Board.

Section 3.4. Special Meetings. Special meetings of Members may be called in accordance with Section 22.155 of the Texas Business Organizations Code or any successor statute.

Section 3.5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Regency at Esperanza AQ Members shall be delivered, either personally or by mail, to each Regency at Esperanza AQ Member entitled to vote at such meeting or by publication in a newspaper of general circulation, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting. In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Regency at Esperanza AQ Member at his address as it appears on the records of the Regency at Esperanza AQ Association, with postage prepaid. If an election or vote of the Regency at Esperanza AQ Members will occur outside of a meeting of the Regency at Esperanza AQ Members (*i.e.*, absentee or electronic ballot), then the Regency at Esperanza AQ Association shall provide notice to each Regency at Esperanza AQ Member no later than the twentieth (20th) day before the latest date on which a ballot may be submitted to be counted.

Section 3.6. Waiver of Notice. Waiver of notice of a meeting of the Regency at Esperanza AQ Members shall be deemed the equivalent of proper notice. Any Regency at Esperanza AQ Member may, in writing, waive notice of any meeting of the Regency at Esperanza AQ Members, either before or after such meeting. Attendance at a meeting by a Regency at Esperanza AQ Member shall be deemed a waiver by such Regency at Esperanza AQ Member of notice of the time, date, and place thereof, unless such Regency at Esperanza AQ Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting by a Regency at Esperanza AQ Member shall be deemed a waiver of notice of all business transacted at such meeting unless an objection by a Regency at Esperanza AQ Member on the basis of lack of proper notice is raised before the business is put to a vote.

Section 3.7. Quorum. Except as provided in these Bylaws or in the AQ Declaration, the presence of the Regency at Esperanza AQ Members representing ten percent (10%) of the total votes in the Regency at Esperanza AQ Association shall constitute a quorum at all Regency at Esperanza AQ Association meetings. The Regency at Esperanza AQ Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Regency at Esperanza AQ Members to leave less than a quorum, provided that Regency at Esperanza AQ Members representing at least five percent (5%) of the total votes in the Regency at Esperanza AQ Association remain in attendance, and provided that any action taken is approved by at least a Majority of the votes present at such adjourned meeting, unless otherwise provided in the AQ Declaration.

Section 3.8. Conduct of Meetings. The President or any other person appointed by the Regency at Esperanza AQ Board shall preside over all Regency at Esperanza AQ Association meetings, and the Secretary, or the Secretary's designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 3.9. Voting. The voting rights of the Regency at Esperanza AQ Members shall be as set forth in the AQ Declaration, and such voting rights provisions are specifically incorporated by reference. Except as otherwise provided in the AQ Declaration, action may be taken at any legally convened meeting of the Regency at Esperanza AQ Members upon the affirmative vote of the Regency at Esperanza AQ Members having a Majority of the total votes present at such meeting in person or proxy or by absentee ballot or electronic ballot, if such votes are considered present at the meeting as further set forth

herein. Cumulative voting shall not be allowed. The person holding legal title to a Lot shall be entitled to cast the vote allocated to such Lot and not the person merely holding beneficial title to the same unless such right is expressly delegated to the beneficial Owner thereof in writing. **Any provision in the Regency at Esperanza AQ Association's governing documents that would disqualify an Owner from voting in a Regency at Esperanza AQ Association election of members of the Regency at Esperanza AQ Board or on any matter concerning the rights or responsibilities of the Owner is void.**

Section 3.10. Methods of Voting: In Person; Proxies; Absentee Ballots; Electronically. On any matter as to which a Regency at Esperanza AQ Member is entitled individually to cast the vote for his Lot such vote may be cast or given: (a) in person or by proxy at a meeting of the Regency at Esperanza AQ Association; (b) by absentee ballot; (c) by electronic ballot; or (d) by such other means as may be permitted by law and as adopted by the Regency at Esperanza AQ Board. Any vote cast in an election or vote by a Regency at Esperanza AQ Member of the Regency at Esperanza AQ Association must be in writing and signed by the Regency at Esperanza AQ Member. Electronic votes constitute written and signed ballots. In a Regency at Esperanza AQ Association election, written and signed ballots are not required for uncontested races. Votes shall be cast as provided in this Section:

(A) Proxies. Any Regency at Esperanza AQ Member may give a revocable written proxy in the form as prescribed by the Regency at Esperanza AQ Board from time to time to any person authorizing such person to cast the Regency at Esperanza AQ Member's vote on any matter. A Regency at Esperanza AQ Member's vote by proxy is subject to any limitations of Texas law relating to the use of general proxies and subject to any specific provision to the contrary in the AQ Declaration or these Bylaws. No proxy shall be valid unless signed by the Regency at Esperanza AQ Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Regency at Esperanza AQ Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than eleven (11) months after the effective date of the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Lot for which it was given.

(B) Absentee and Electronic Ballots. An absentee or electronic ballot: (i) may be counted as a Regency at Esperanza AQ Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (ii) may not be counted, even if properly delivered, if the Regency at Esperanza AQ Member attends any meeting to vote in person, so that any vote cast at a meeting by a Regency at Esperanza AQ Member supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (iii) may not be counted on the final vote of a proposal if the proposal was amended at the meeting to be different from the exact language on the absentee or electronic ballot. For the purposes of this Section, a nomination taken from the floor in a Regency at Esperanza AQ Board member election is not considered an amendment to the proposal for the election.

(1) Absentee Ballots. No absentee ballot shall be valid unless it is in writing, signed by the Regency at Esperanza AQ Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Regency at Esperanza AQ Association prior to the meeting for which it is to be effective. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the Lot for which it was given. Any solicitation for votes by absentee ballot must include:

- (i) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
- (ii) instructions for delivery of the completed absentee ballot, including the delivery location; and
- (iii) the following language: *"By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."*

(2) *Electronic Ballots.* "Electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of the Regency at Esperanza AQ Member submitting the ballot can be confirmed; and (c) for which the Regency at Esperanza AQ Member may receive a receipt of the electronic transmission and receipt of the Regency at Esperanza AQ Member's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each Regency at Esperanza AQ Member that contains instructions on obtaining access to the posting on the website.

Section 3.11. Tabulation of and Access to Ballots. A person who is a candidate in a Regency at Esperanza AQ Association election or who is otherwise the subject of a Regency at Esperanza AQ Association vote, or a person related to that person within the third degree by consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election or vote except such person may be given access to the ballots cast in the election or vote as part of a recount process. A person tabulating votes in a Regency at Esperanza AQ Association election or vote or who performs a recount pursuant to *Section 3.12* may not disclose to any other person how an individual voted. Notwithstanding any provision of these Bylaws to the contrary, only a person who tabulates votes pursuant to this Section or performs a recount pursuant to *Section 3.12* shall be given access to any Regency at Esperanza AQ Association ballots.

Section 3.12. Recount of Votes. Any Regency at Esperanza AQ Member (the "Recount Requesting Member") may, not later than the fifteenth (15th) day after the later of the date of any meeting of Regency at Esperanza AQ Members at which an election or vote was held, or the date of the announcement of the results of the election or vote, require a recount of the votes (the "Recount Request"). A Recount Request must be submitted in writing either: (i) by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, with signature confirmation service to the Regency at Esperanza AQ Association's mailing address as reflected on the latest management certificate; or (ii) in person to the Regency at Esperanza AQ Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The Recount Requesting Member shall be required to pay, in advance, expenses associated with the recount as estimated by the Regency at Esperanza AQ Association, pursuant to subsection (a) below.

(a) Cost of Recount. The Regency at Esperanza AQ Association shall estimate the costs for performing the recount by a person qualified to tabulate votes under subsection (b), and no later than the twentieth (20th) day after the date the Regency at Esperanza AQ Association receives the Recount Request, shall send an invoice for the estimated costs (the "**Initial Recount Invoice**") to the Recount Requesting Member at the Recount Requesting Member's last known address according to the Regency at Esperanza AQ Association's records. The Recount Requesting Member must pay the Initial Recount Invoice in full to the Regency at Esperanza AQ Association on or before the thirtieth (30th) day after the date the Initial Recount Invoice was delivered to the Recount Requesting Member (the "**Deadline**"). If the Initial Recount Invoice is not paid by the Recount Requesting Member by the Deadline, the Recount Requesting Member's Recount Request shall be considered withdrawn and the Regency at Esperanza AQ Association shall not be required to perform a recount. If the Initial Recount Invoice is paid by the Recount Requesting Member by the Deadline, then on or before the thirtieth (30th) day after the date of receipt of payment of the Invoice, the recount must be completed and the Regency at Esperanza AQ Association must provide each Recount Requesting Member with notice of the results of the recount. If the recount changes the results of the election, the Regency at Esperanza AQ Association shall reimburse the Recount Requesting Member for the cost of the recount not later than the thirtieth (30th) day after the date the results of the recount are provided. If the recount does not change the results of the election, and the estimated costs included on the Initial Recount Invoice are either lesser or greater than the actual costs of the recount, the Regency at Esperanza AQ Association shall send a final invoice (the "**Final Recount Invoice**") to the Recount Requesting Member on or before the thirtieth (30th) business day after the date the results of the recount are provided. If the Final Recount Invoice reflects that additional amounts are owed by the Recount Requesting Member, the Recount Requesting Member shall remit such additional amounts to the Regency at Esperanza AQ Association immediately. Any additional amounts not paid to the Regency at Esperanza AQ Association by the Recount Requesting Member before the thirtieth (30th) business day after the date the Final Recount Invoice is sent may be charged as an Individual Regency at Esperanza AQ Assessment against the Recount Requesting Member. If the costs estimated in the Initial Recount Invoice costs exceed the amount reflected in the Final Recount Invoice, then the Recount Requesting Member shall be entitled to a refund, which such refund shall be paid at the time the Final Recount Invoice is delivered pursuant to this Section.

(b) Vote Tabulator. Following receipt of payment of the Initial Recount Invoice, the Regency at Esperanza AQ Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Regency at Esperanza AQ Association shall enter into a contract for the services of a person who: (i) is not a Regency at Esperanza AQ Member or related to a member of the Regency at Esperanza AQ Board within the third degree by consanguinity or affinity; and (ii) is either a person agreed on by the Regency at Esperanza AQ Association and each person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.

(c) Regency at Esperanza AQ Board Action. Any action taken by the Regency at Esperanza AQ Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

Section 3.13. Action without a Meeting. Any action required or permitted by law to be taken at a meeting of the Regency at Esperanza AQ Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Regency at Esperanza AQ Members holding at least the minimum number of votes necessary to

authorize such action at a meeting if all Regency at Esperanza AQ Members entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated, and delivered to the Regency at Esperanza AQ Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Regency at Esperanza AQ Association and shall have the same force and effect as a vote of the Regency at Esperanza AQ Members at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Regency at Esperanza AQ Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

Section 3.14. Telephone and Electronic Meetings. Regency at Esperanza AQ Members may participate in and hold meetings of the Regency at Esperanza AQ Association via video conferencing, conference telephone, or any other such similar technology by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes 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 IV REGENCY AT ESPERANZA AQ BOARD OF DIRECTORS

Section 4.1. Authority: Number of Directors.

(a) The affairs of the Regency at Esperanza AQ Association shall be governed by the Regency at Esperanza AQ Board of Directors. The number of Directors shall be fixed by the Regency at Esperanza AQ Board from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Regency at Esperanza AQ Certificate. The initial Directors shall serve until their successors are appointed or elected and qualified.

(b) In accordance with *Section 5.03* of the AQ Declaration, within one hundred and twenty (120) days after seventy-five percent (75%) of the Maximum Number of Lots have been made subject to the terms and provisions of the AQ Declaration and have been conveyed to Owners other than the Declarant or a Homebuilder, the Regency at Esperanza AQ Board will call a meeting of the Regency at Esperanza AQ Members (the "**Initial Member Election Meeting**") where the Regency at Esperanza AQ Members will elect one (1) Director, for a one (1) year term ("**Initial Member Elected Director**"). Declarant will continue to appoint and remove two-thirds ($\frac{2}{3}$) of the Regency at Esperanza AQ Board after the Initial Member Election Meeting until expiration or termination of the Development Period. Notwithstanding the foregoing, the Initial Member Elected Director's term will expire as of the date of the Member Election Meeting.

(c) At the expiration or termination of the Development Period, the Declarant will thereupon call a meeting of the Regency at Esperanza AQ Members where the Declarant appointed Directors will resign and the Regency at Esperanza AQ Members will elect three (3) new directors (to replace all Declarant appointed Directors and the Initial Member Elected Director) (the "**Member Election Meeting**"), one (1) Director for a three (3) year term, one (1) Director for a two (2) year term, and one (1) Director for a one (1) year term (with the individual receiving the highest number of votes to serve the three (3) year term, the individual receiving the next highest number of votes to serve the two (2) year term, and the individual receiving the third highest number of votes to serve a one (1) year term). Upon

expiration of the term of a Director elected by the Regency at Esperanza AQ Members pursuant to this *Section 4.1(c)*, his or her successor will be elected for a term of three (3) years.

(d) 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.

(e) Each Director, other than Directors appointed by Declarant, shall be a Regency at Esperanza AQ Member. In the case of corporate, partnership, or other entity ownership of a Lot, the Director must be a duly authorized agent or representative of the corporation, the partnership, or other entity which owns the Lot. Other than as set forth in this subparagraph (e), the Regency at Esperanza AQ Association may not restrict an Owner's right to run for a position on the Regency at Esperanza AQ Board.

Section 4.2. Compensation. The Directors shall serve without compensation for such service. As determined by the Board, Directors may be reimbursed for any reasonable and necessary out-of-pocket expenses.

Section 4.3. Nominations to Regency at Esperanza AQ Board of Directors. Regency at Esperanza AQ Members may be nominated for election to the Regency at Esperanza AQ Board in either of the following ways:

(a) A Regency at Esperanza AQ Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Regency at Esperanza AQ Board a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Regency at Esperanza AQ Board.

Section 4.4. Vacancies on Regency at Esperanza AQ Board. Except with respect to Directors appointed by the Declarant, if the office of any elected Director shall become vacant by reason of death, resignation, or disability, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Regency at Esperanza AQ Board shall select the successor. At the expiration of the term of his position on the Regency at Esperanza AQ Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws. Except with respect to Directors appointed by the Declarant, any Regency at Esperanza AQ Board member whose term has expired or who has been removed from the Regency at Esperanza AQ Board must be elected by the Regency at Esperanza AQ Members.

Section 4.5. Removal of Directors. Subject to the right of Declarant to nominate and appoint Directors as set forth in *Section 4.1* of these Bylaws, an elected Director may be removed, with or without cause, by the Majority of the Regency at Esperanza AQ Members which elected such Director.

Section 4.6. Solicitation of Candidate for Election to the Regency at Esperanza AQ Board. At least thirty (30) days before the date a Regency at Esperanza AQ Association disseminates absentee ballots or other ballots to Regency at Esperanza AQ Members for the purpose of voting in a Regency at Esperanza AQ Board election, the Regency at Esperanza AQ Association shall provide notice (the "Solicitation Notice") of the election to the Regency at Esperanza AQ Members. The Solicitation Notice shall: (a) solicit candidates that are eligible under *Section 4.1(e)* and interested in running for a position on the Regency at Esperanza AQ Board; (b) state that an eligible candidate has fifteen (15) days to respond to the Solicitation Notice and request to be placed on the ballot; and (c) must be: (1) mailed to each Regency at Esperanza AQ Member; (2) emailed to each Regency at Esperanza AQ Member that has registered their email address with the Regency at Esperanza AQ Association; or (3) posted in a conspicuous manner reasonably designed to provide notice to Regency at Esperanza AQ Members, such as: (i) within common area or, with the Regency at Esperanza AQ Member's consent, on other conspicuously located privately owned property within the subdivision; or (ii) on any website maintained by the Regency at Esperanza AQ Association or other internet media.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.1. Development Period. The provisions of this *Article V* do not apply to Regency at Esperanza AQ Board meetings during the Development Period (as defined in the AQ Declaration) during which period the Regency at Esperanza AQ Board may take action by unanimous written consent in lieu of a meeting pursuant to *Section 5.10*, except with respect to a meeting conducted for the purpose of: (a) adopting or amending the Regency at Esperanza AQ Documents (*i.e.*, declarations, bylaws, rules, and regulations); (b) increasing the amount of Regular Regency at Esperanza AQ Assessments of the Regency at Esperanza AQ Association or adopting or increasing a Special Regency at Esperanza AQ Assessment; (c) electing non-Declarant Regency at Esperanza AQ Board members or establishing a process by which those members are elected; or (d) changing the voting rights of Regency at Esperanza AQ Members.

Section 5.2. Definition of Regency at Esperanza AQ Board Meetings. A meeting of the Regency at Esperanza AQ Board means a deliberation between a quorum of the Regency at Esperanza AQ Board, or between a quorum of the Regency at Esperanza AQ Board and another person, during which Regency at Esperanza AQ Association business is considered and the Regency at Esperanza AQ Board takes formal action.

Section 5.3. Regular Meetings. Regular meetings of the Regency at Esperanza AQ Board shall be held annually or such other frequency as determined by the Regency at Esperanza AQ Board, at such place and hour as may be fixed from time to time by resolution of the Regency at Esperanza AQ Board.

Section 5.4. Special Meetings. Special meetings of the Regency at Esperanza AQ Board shall be held when called by the President of the Regency at Esperanza AQ Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.5. Quorum. A Majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a Majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Regency at Esperanza AQ Board.

Section 5.6. Open Regency at Esperanza AQ Board Meetings. All regular and special Regency at Esperanza AQ Board meetings must be open to Owners. However, the Regency at Esperanza AQ Board has the right to adjourn a meeting and reconvene in closed executive session to consider actions involving: (a) personnel; (b) pending or threatened litigation; (c) contract negotiations; (d) enforcement actions; (e) confidential communications with the Regency at Esperanza AQ Association's attorney; (f) matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Regency at Esperanza AQ Board. Following an executive session, any decision made by the Regency at Esperanza AQ Board in executive session must be summarized orally in general terms and placed in the minutes. The oral summary must include a general explanation of expenditures approved in executive session.

Section 5.7. Location. Except if otherwise held by electronic or telephonic means, a Regency at Esperanza AQ Board meeting must be held in the county in which the AQ Development Area is located or in a county adjacent to that county, as determined in the discretion of the Regency at Esperanza AQ Board.

Section 5.8. Record; Minutes. The Regency at Esperanza AQ Board shall keep a record of each regular or special Regency at Esperanza AQ Board meeting in the form of written minutes of the meeting. The Regency at Esperanza AQ Board shall make meeting records, including approved minutes, available to a Regency at Esperanza AQ Member for inspection and copying on the Regency at Esperanza AQ Member's written request to the Regency at Esperanza AQ Association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Regency at Esperanza AQ Board.

Section 5.9. Notices. Regency at Esperanza AQ Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (a) mailed to each Regency at Esperanza AQ Member not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of a special or regular Board meeting; or (b) provided at least one hundred forty-four (144) hours before the start of a regular board meeting and at least seventy-two (72) hours before the start of a special board meeting by: (i) posting the notice in a conspicuous manner reasonably designed to provide notice to Regency at Esperanza AQ Members in a place located on any Regency at Esperanza AQ Association common area or on any internet website available to the Regency at Esperanza AQ Members that is maintained by the Regency at Esperanza AQ Association or by a management company on behalf of the Regency at Esperanza AQ Association; and (ii) sending the notice by email to each Regency at Esperanza AQ Member who has registered an email address with the Regency at Esperanza AQ Association. It is the Regency at Esperanza AQ Member's duty to keep an updated email address registered with the Regency at Esperanza AQ Association. The Regency at Esperanza AQ Board may establish a procedure for registration of email addresses, which procedure may be required for the purpose of receiving notice of Regency at Esperanza AQ Board meetings. If the Regency at Esperanza AQ Board recesses a regular or special Regency at Esperanza AQ Board meeting to continue the following regular business day, the Regency at Esperanza AQ Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this Section. If a regular or special Regency at Esperanza AQ Board meeting is continued to the following regular business day, and on that following day the Regency at Esperanza AQ Board continues the meeting to another day, the Regency at Esperanza AQ Board shall give notice of the continuation in at least one manner as set forth above within two (2) hours after adjourning the meeting being continued.

Section 5.10. Unanimous Consent. During the Development Period, Directors may vote by unanimous written consent. Unanimous written consent occurs if all Directors individually or collectively consent in writing to a Regency at Esperanza AQ Board action. The written consent must be filed with the minutes of Regency at Esperanza AQ Board meetings. Action by written consent shall be in lieu of a meeting and has the same force and effect as a unanimous vote of the Directors. As set forth in *Section 5.1*, Directors may not vote by unanimous consent if the Directors are considering any of the following actions: (a) adopting or amending the Regency at Esperanza AQ Documents (*i.e.*, declarations, bylaws, rules, and regulations); (b) increasing the amount of Regular Regency at Esperanza AQ Assessments of the Regency at Esperanza AQ Association or adopting or increasing a Special Regency at Esperanza AQ Assessment; (c) electing non-Declarant Regency at Esperanza AQ Board members or establishing a process by which those members are elected; or (d) changing the voting rights of Regency at Esperanza AQ Members.

Section 5.11. Meeting without Prior Notice. The Regency at Esperanza AQ Board may take action outside a meeting, including voting by electronic or telephonic means, without prior notice to the Regency at Esperanza AQ Members if each Regency at Esperanza AQ Board member is given a reasonable opportunity (i) to express his or her opinions to all other Regency at Esperanza AQ Board members and (ii) to vote. Any action taken without notice to Regency at Esperanza AQ Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Regency at Esperanza AQ Board meeting. After expiration of the Development Period, the Regency at Esperanza AQ Board may not, unless done in an open meeting for which prior notice was given to the Regency at Esperanza AQ Members pursuant to *Section 5.9* above, consider or vote on: (a) fines; (b) damage assessments; (c) the initiation of foreclosure actions; (d) the initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (e) increases in Regency at Esperanza AQ Assessments; (f) levying of Special Regency at Esperanza AQ Assessments; (g) appeals from a denial of architectural control approval; (h) a suspension of a right of a particular Regency at Esperanza AQ Member before the Regency at Esperanza AQ Member has an opportunity to attend a Regency at Esperanza AQ Board meeting to present the Regency at Esperanza AQ Member's position, including any defense, on the issue; (i) the lending or borrowing of money; (j) the adoption of any amendment of a dedicatory instrument; (k) the approval of an annual budget or the approval of an amendment of an annual budget; (l) the sale or purchase of real property; (m) the filling of a vacancy on the Regency at Esperanza AQ Board; (n) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (o) the election of an officer.

Section 5.12. Telephone and Electronic Meetings. Any action permitted to be taken by the Regency at Esperanza AQ Board without prior notice to Owners may be taken by telephone or electronic methods provided that: (1) each Regency at Esperanza AQ Board member may hear and be heard by every other Regency at Esperanza AQ Board member; (2) except for any portion of the meeting conducted in executive session: (i) all Regency at Esperanza AQ Members in attendance at the meeting may hear all Regency at Esperanza AQ Board members; and (ii) any Regency at Esperanza AQ Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a participating Regency at Esperanza AQ Board member at the same meeting; and (3) the notice of the Regency at Esperanza AQ Board meeting provides instructions to the Regency at Esperanza AQ Members on how to access the electronic or telephonic communication method used in the meeting. Participation in such a meeting constitutes 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 VI
POWERS AND DUTIES OF THE REGENCY AT ESPERANZA AQ BOARD**

Section 6.1. Powers. The Regency at Esperanza AQ Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Regency at Esperanza AQ Association is authorized to take in accordance with the AQ Declaration:

(a) adopt, amend, revoke, record, and publish the Regency at Esperanza AQ Rules, including regulations governing the use of the Regency at Esperanza AQ Association property and facilities, and the personal conduct of the Regency at Esperanza AQ Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the right of a Regency at Esperanza AQ Member to use of the Regency at Esperanza AQ Association property during any period in which such Regency at Esperanza AQ Member shall be in default in the payment of any Regency at Esperanza AQ Assessment levied by the Regency at Esperanza AQ Association, or after notice and hearing, for any period during which an infraction of the Regency at Esperanza AQ Association Rules by such Regency at Esperanza AQ Member exists;

(c) exercise for the Regency at Esperanza AQ Association all powers, duties and authority vested in or related to the Regency at Esperanza AQ Association and not reserved to the membership by other provisions of the Regency at Esperanza AQ Documents;

(d) to enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the AQ Development Area;

(e) declare the office of a member of the Regency at Esperanza AQ Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Regency at Esperanza AQ Board;

(f) employ such employees as they deem necessary, and to prescribe their duties;

(g) as more fully provided in the AQ Declaration, to:

(1) fix the amount of the Regency at Esperanza AQ Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the AQ Declaration; and

(2) foreclose the lien against any property for which Regency at Esperanza AQ Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(h) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Regency at Esperanza AQ Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate

states that an Regency at Esperanza AQ Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) procure and maintain adequate liability and hazard insurance on property owned by the Regency at Esperanza AQ Association;

(j) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) exercise such other and further powers or duties as provided in the AQ Declaration or by law.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Regency at Esperanza AQ Association shall be a President and a Vice-President, who shall at all times be members of the Regency at Esperanza AQ Board, a Secretary and a Treasurer, and such other officers as the Regency at Esperanza AQ Board may from time to time create by resolution.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Regency at Esperanza AQ Board following each annual meeting of the Regency at Esperanza AQ Members.

Section 7.3. Term. The officers of the Regency at Esperanza AQ Association shall be elected annually by the Regency at Esperanza AQ Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Regency at Esperanza AQ Board may elect such other officers as the affairs of the Regency at Esperanza AQ Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Regency at Esperanza AQ Board may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Regency at Esperanza AQ Board. Any officer may resign at any time by giving written notice to the Regency at Esperanza AQ Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled through appointment by the Regency at Esperanza AQ Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to *Section 7.4.*

Section 7.8. Duties. The duties of the officers are as follows:

(a) **President.** The President shall preside at all meetings of the Regency at Esperanza AQ Board; shall see that orders and resolutions of the Regency at Esperanza AQ Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) **Vice President.** The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Regency at Esperanza AQ Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Regency at Esperanza AQ Board and of the Regency at Esperanza AQ Members; serve notice of meetings of the Regency at Esperanza AQ Board and of the Regency at Esperanza AQ Members; keep appropriate current records showing the Regency at Esperanza AQ Members together with their addresses; and shall perform such other duties as required by the Regency at Esperanza AQ Board.

(d) **Assistant Secretaries.** Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Regency at Esperanza AQ Board or any committee established by the Regency at Esperanza AQ Board.

(e) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Regency at Esperanza AQ Association and shall disburse such funds as directed by resolution of the Regency at Esperanza AQ Board; shall sign all checks and promissory notes of the Regency at Esperanza AQ Association; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Regency at Esperanza AQ Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Regency at Esperanza AQ Members.

Section 7.9. Execution of Instruments. Except when the Regency at Esperanza AQ Documents require execution of certain instruments by certain individuals, the Regency at Esperanza AQ Board may authorize any person to execute instruments on behalf of the Regency at Esperanza AQ Association, including without limitation checks from the Regency at Esperanza AQ Association's bank account. In the absence of Regency at Esperanza AQ Board designation, and unless otherwise provided herein, the President and the Secretary are the only persons authorized to execute instruments on behalf of the Regency at Esperanza AQ Association.

ARTICLE VIII

OTHER COMMITTEES OF THE REGENCY AT ESPERANZA AQ BOARD

The Regency at Esperanza AQ Board may, by resolution adopted by affirmative vote of a Majority of the number of Directors fixed by these Bylaws, designate two (2) or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Regency at Esperanza AQ Board and of carrying out and

implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Regency at Esperanza AQ Board.

**ARTICLE IX
BOOKS AND RECORDS**

The books, records and papers of the Regency at Esperanza AQ Association shall at all times, during reasonable business hours, be subject to inspection by any Regency at Esperanza AQ Member. The Regency at Esperanza AQ Documents shall be available for inspection by any Regency at Esperanza AQ Member at the principal office of the Regency at Esperanza AQ Association, where copies may be purchased at reasonable cost.

**ARTICLE X
REGENCY AT ESPERANZA AQ ASSESSMENTS**

As more fully provided in the AQ Declaration, each Regency at Esperanza AQ Member is obligated to pay to the Regency at Esperanza AQ Association Regency at Esperanza AQ Assessments which are secured by a continuing lien upon the property against which the Regency at Esperanza AQ Assessments are made. Regency at Esperanza AQ Assessments shall be due and payable in accordance with the AQ Declaration.

**ARTICLE XI
CORPORATE SEAL**

The Regency at Esperanza AQ Association may, but shall have no obligation to, have a seal in a form adopted by the Regency at Esperanza AQ Board.

**ARTICLE XII
AMENDMENTS**

These Bylaws may be amended by: (i) the Declarant until expiration or termination of the Development Period; or (ii) a Majority vote of the Regency at Esperanza AQ Board with the advance written consent of the Declarant until expiration or termination of the Development Period.

**ARTICLE XIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Regency at Esperanza AQ Association shall indemnify every Director, Officer or Committee Member against, and reimburse and advance to every Director, Officer or Committee Member for, all liabilities, costs and expenses incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Business Organizations Code and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director, Officer or Committee Member shall be indemnified for: (a) a breach of duty of loyalty to the Regency at Esperanza AQ Association or its Regency at Esperanza AQ Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director, Officer or Committee Member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director, Officer or Committee Member is expressly provided for by statute.

**ARTICLE XIV
MISCELLANEOUS**

Section 14.1. Fiscal Year. The fiscal year of the Regency at Esperanza AQ Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 14.2. Review of Statutes and Court Rulings. Users of these Bylaws should also review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by these Bylaws.

Section 14.3. Conflict. In the case of any conflict between the Regency at Esperanza AQ Certificate and these Bylaws, the Regency at Esperanza AQ Certificate shall control; and in the case of any conflict between the AQ Declaration and these Bylaws, the AQ Declaration shall control. In the case of any conflict between these Bylaws and any provision of the applicable laws of the State of Texas, the conflicting aspect of the Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect.

Section 14.4. Interpretation. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions or articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

Section 14.5. No Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws may 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.

ATTACHMENT 3

REGENCY AT ESPERANZA AQ COMMUNITY, INC.

FINE AND ENFORCEMENT POLICY

1. Background. Certain Lots within the community are subject to that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over], recorded in the Official Public Records of Kendall County, Texas, as the same may be amended from time to time ("AQ Declaration"). In accordance with the AQ Declaration, Regency at Esperanza AQ Community, Inc., a Texas non-profit corporation (the "Regency at Esperanza AQ Association") was created to administer the terms and provisions of the AQ Declaration. Unless the AQ Declaration or Applicable Law expressly provides otherwise, the Regency at Esperanza AQ Association acts through a majority of its board of directors (the "Regency at Esperanza AQ Board"). The Regency at Esperanza AQ Association is empowered to enforce the covenants, conditions and restrictions of the AQ Declaration, Regency at Esperanza AQ Certificate, Regency at Esperanza AQ Bylaws, Regency at Esperanza AQ Community Manual, and any rules and regulations promulgated by the Regency at Esperanza AQ Association pursuant to the AQ Declaration, as each may be adopted and amended from time to time (collectively, the "Regency at Esperanza AQ Documents"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the AQ Declaration and the obligations of the Owners to compensate the Regency at Esperanza AQ Association for costs incurred by the Regency at Esperanza AQ Association for enforcing violations of the Regency at Esperanza AQ Documents.

The Regency at Esperanza AQ Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within the Regency at Esperanza AQ Association in compliance with the Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "Act"). To the extent any provision within this policy is in conflict with the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Regency at Esperanza AQ Documents.

2. Policy. The Regency at Esperanza AQ Association uses fines to discourage violations of the Regency at Esperanza AQ Documents, and to encourage compliance when a violation occurs not to punish violators or generate revenue for the Regency at Esperanza AQ Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Regency at Esperanza AQ Association for enforcing the Regency at Esperanza AQ Documents. The Regency at Esperanza AQ Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.
3. Owner's Liability. An Owner is liable for fines levied by the Regency at Esperanza AQ Association for violations of the Regency at Esperanza AQ Documents by the Owner and the relatives, guests, employees, and agents of the Owner and residents. Regardless of who commits

the violation, the Regency at Esperanza AQ Association may direct all communications regarding the violation to the Owner.

4. Amount. The Regency at Esperanza AQ Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Regency at Esperanza AQ Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Regency at Esperanza AQ Documents. If the Regency at Esperanza AQ Association allows fines to accumulate, the Regency at Esperanza AQ Association may establish a maximum amount for a particular fine, at which point the total fine will be capped.

5. Violation Notice. Except as set forth in Section 5(C) below, before levying a fine, the Regency at Esperanza AQ Association will give (i) a written violation notice via certified mail to the Owner (at the Owner's last known address as shown in the Regency at Esperanza AQ Association records) (the "Violation Notice") and (ii) an opportunity to be heard, if requested by the Owner. The Regency at Esperanza AQ Association's Violation Notice will contain the following items: (1) the date the Violation Notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the Individual Regency at Esperanza AQ Assessment, suspension action, or other charge; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid the fine or suspension; (5) the amount of the possible fine; (6) a statement that no later than the thirtieth (30th) day after the date the notice was mailed, the Owner may request a hearing pursuant to Section 209.007 of the Texas Property Code, and further, if the hearing held pursuant to Section 209.007 of the Texas Property Code is to be held by a committee appointed by the Regency at Esperanza AQ Board, a statement notifying the Owner that he or she has the right to appeal the committee's decision to the Regency at Esperanza AQ Board by written notice to the Regency at Esperanza AQ Board; and (7) a statement that the Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. section *et seq.*), if the Owner is serving on active military duty. The Violation Notice sent out pursuant to this paragraph is further subject to the following:
 - A. First Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the Violation Notice will state those items set out in (1) – (7) above, along with a reasonable timeframe by which the violation must be cured to avoid the fine. The Violation Notice must state that any future violation of the same rule may result in the levy of a fine. A fine pursuant to the *Schedule of Fines* may be levied if an Owner does not cure the violation within the timeframe set forth in the notice.

 - B. Uncurable Violation/Violation of Public Health or Safety. If the violation is of an uncurable nature or poses a threat to public health or safety (as exemplified in Section 209.006 of the Texas Property Code), then the Violation Notice shall state those items set out in (1), (2), (3), (5), (6), and (7) above, and the Regency at Esperanza AQ Association shall have the right to exercise any enforcement

remedy afforded to it under the Regency at Esperanza AQ Documents, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*.

- C. Repeat Violation without Attempt to Cure. If the Owner has been given a Violation Notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but commits the violation again, then the Owner shall not be entitled to an additional Violation Notice or a hearing pursuant to Section 209.007 of the Texas Property Code, and the Regency at Esperanza AQ Association shall have the right to exercise any enforcement remedy afforded to it under the Regency at Esperanza AQ Documents, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*. After an Owner has been provided a Violation Notice as set forth herein and assessed fines in the amounts set forth in the *Schedule of Fines*, if the Owner has never cured the violation in response to any Violation Notices sent or any fines levied, then the Regency at Esperanza AQ Board, in its sole discretion, may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Regency at Esperanza AQ Board.

6. Violation Hearing. If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to the Regency at Esperanza AQ Association for a hearing before the Regency at Esperanza AQ Board or a committee appointed by the Regency at Esperanza AQ Board to discuss and verify the facts and resolve the matter. To request a hearing, the Owner must submit a written request (the "Request") to the Regency at Esperanza AQ Association's manager (or the Regency at Esperanza AQ Board if there is no manager) within thirty (30) days after receiving the Violation Notice. The Regency at Esperanza AQ Association must then hold the hearing requested no later than thirty (30) days after the Regency at Esperanza AQ Board receives the Request. The hearing will be scheduled to provide a reasonable opportunity for both the Regency at Esperanza AQ Board and the Owner to attend. The Regency at Esperanza AQ Board or the Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. Notwithstanding the foregoing, the Regency at Esperanza AQ Association may exercise its other rights and remedies as set forth in Section 209.007(d) and (e) of the Texas Property Code. Any hearing before the Regency at Esperanza AQ Board will be held in a closed or executive session of the Regency at Esperanza AQ Board. At the hearing, the Regency at Esperanza AQ Board will consider the facts and circumstances surrounding the violation. Not later than ten (10) days before the Regency at Esperanza AQ Board holds a hearing under this Section, the Regency at Esperanza AQ Board shall provide notice to the Owner of the date, time and place of the hearing and shall provide a packet containing all documents, photographs, and communications relating to the matters the Regency at Esperanza AQ Board intends to introduce at the hearing. If the Regency at Esperanza AQ Board does not provide a packet within the ten (10) day time period described above, the Owner is entitled to an automatic fifteen (15) day postponement of the hearing. During the hearing, the Regency at Esperanza AQ Board or a representative of the Regency at Esperanza AQ Board shall first present the Regency at Esperanza AQ Board's case against the Owner. The Owner shall attend the hearing in person, but may be represented by another person (i.e., attorney) during the hearing, upon advance written notice to the Regency at Esperanza AQ

Board. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Regency at Esperanza AQ Board. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the Violation Notice and Request should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied. Unless otherwise agreed by the Regency at Esperanza AQ Board, each hearing shall be conducted in accordance with the agenda attached hereto as Exhibit A.

7. Due Date. Fine and/or damage charges are due immediately if the violation is incurable or poses a threat to public health or safety. If the violation is curable, the fine and/or damage charges are due immediately after the later of: (1) the date that the cure period set out in the first Violation Notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Regency at Esperanza AQ Association, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Regency at Esperanza AQ Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Regency at Esperanza AQ Board at such hearing.
8. Lien Created. The payment of each fine and/or damage charge levied by the Regency at Esperanza AQ Board against the Owner of a Lot is, together with interest as provided in *Section 6.10* of the AQ Declaration and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Regency at Esperanza AQ Association pursuant to *Section 6.02(b)* of the AQ Declaration. The fine and/or damage charge will be considered a Regency at Esperanza AQ Assessment for the purpose of this Article and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to *Article 6* of the AQ Declaration.
9. Levy of Fine. Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices.
10. Foreclosure. The Regency at Esperanza AQ Association may not foreclose its assessment lien on a debt consisting solely of fines.
11. Amendment of Policy. This policy may be revoked or amended from time to time by the Regency at Esperanza AQ Board. This policy will remain effective until the Regency at Esperanza AQ Association records an amendment to this policy in the county's official public records.

Schedule of Fines

The Regency at Esperanza AQ Board has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Regency at Esperanza AQ Board is required to provide each notice prior to exercising additional remedies as set forth in the Regency at Esperanza AQ Documents. The Regency at Esperanza AQ Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Regency at Esperanza AQ Board also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

FINES‡:

<p>New Violation: Notice of Violation</p>	<p>Fine Amount: \$25.00 (if a curable violation, may be avoided if Owner cures the violation by the time specified in the notice)</p>
<p>Repeat Violation (No Right to Cure or Uncurable Violation):</p>	<p>Fine Amount: 1st Notice \$50.00 2nd Notice \$75.00 3rd Notice \$100.00 4th Notice \$125.00</p>
<p>Continuous Violation: Continuous Violation Notice</p>	<p>Amount TBD</p>

‡ The Regency at Esperanza AQ Board reserves the right to adjust these fine amounts based on the severity and/or frequency of the violation.

EXHIBIT A

HEARING BEFORE THE REGENCY AT ESPERANZA AQ BOARD

Note: An individual will act as the Regency at Esperanza AQ Association representative (the "Association Rep"). The Regency at Esperanza AQ Association representative will provide introductory remarks and administer the hearing agenda.

I. Introduction:

Association Rep: The Regency at Esperanza AQ Board has convened conduct a hearing at the written request of an owner.

This hearing is being conducted as required by Section 209.007 of the Texas Property Code, and is an opportunity for the Regency at Esperanza AQ Association and the owner to discuss and verify facts and attempt to resolve the matter at issue. If no resolution is reached during the hearing, the Regency at Esperanza AQ Association will communicate its decision in writing within fifteen (15) days.

II. Presentation of Facts:

Association Rep: This portion of the hearing is to permit a representative of the Regency at Esperanza AQ Association the opportunity to describe the violation and to present any information the Regency at Esperanza AQ Association wishes to offer. After the Regency at Esperanza AQ Association's representative has finished the presentation, the owner or any representative will be given the opportunity to present information and issues relevant to the appeal or dispute.

[Presentations]

III. Discussion:

Association Rep: This portion of the hearing is to permit the Regency at Esperanza AQ Board and the owner to discuss matters relevant to the violation.

IV. Resolution:

Association Rep: [Announce any agreement or resolution or state that the Regency at Esperanza AQ Board will take the matter under advisement]

V. Adjournment

Association Rep: At this time the hearing is adjourned.

ATTACHMENT 4**REGENCY AT ESPERANZA AQ COMMUNITY, INC.**
ASSESSMENT COLLECTION POLICY

The Lots located within Regency at Esperanza AQ is a community (the "Community") created by and subject to Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded in the Official Public Records of Kendall County, Texas, and any amendments or supplements thereto ("AQ Declaration"). The operation of the Community is vested in Regency at Esperanza AQ Community, Inc. (the "Regency at Esperanza AQ Association"), acting through its board of directors (the "Regency at Esperanza AQ Board"). The Regency at Esperanza AQ Association is empowered to enforce the covenants, conditions and restrictions of the AQ Declaration, Regency at Esperanza AQ Certificate, Regency at Esperanza AQ Bylaws, Regency at Esperanza AQ Community Manual, and any rules and regulations promulgated by the Regency at Esperanza AQ Association pursuant to the AQ Declaration, as adopted and amended from time to time (collectively, the "Regency at Esperanza AQ Documents"), including the obligation of Owners to pay Regency at Esperanza AQ Assessments pursuant to the terms and provisions of the Regency at Esperanza AQ Documents.

The Regency at Esperanza AQ Board hereby adopts this Regency at Esperanza AQ Assessment Collection Policy to establish equitable policies and procedures for the collection of Regency at Esperanza AQ Assessments levied pursuant to the Regency at Esperanza AQ Documents. Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Regency at Esperanza AQ Documents.

Section 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. **Due Date.** An Owner will timely and fully pay Regency at Esperanza AQ Assessments. Regular Regency at Esperanza AQ Assessments are assessed annually and are due and payable on the first calendar day of the month at the beginning of the fiscal year, or in such other manner as the Regency at Esperanza AQ Board may designate in its sole and absolute discretion.
- 1-B. **Delinquent.** Any Regency at Esperanza AQ Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full — including collection costs, interest and late fees.
- 1-C. **Late Fees & Interest.** If the Regency at Esperanza AQ Association does not receive full payment of a Regency at Esperanza AQ Assessment by 5:00 p.m. on the due date established by the Regency at Esperanza AQ Board, the Regency at Esperanza AQ Association may levy a late fee of \$25 per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Regency at Esperanza AQ Assessment from the due date thereof (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.
- 1-D. **Liability for Collection Costs.** The defaulting Owner is liable to the Regency at Esperanza AQ Association for the cost of title reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Regency at Esperanza AQ Association in collecting the delinquency.

REGENCY AT ESPERANZA AQ COMMUNITY MANUAL
ATTACHMENT 4 – ASSESSMENT COLLECTION POLICY

- 1-E. Insufficient Funds. The Regency at Esperanza AQ Association may levy a charge of \$25 for any check returned to the Regency at Esperanza AQ Association marked "not sufficient funds" or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may only be waived by a Majority of the Regency at Esperanza AQ Board.

Section 2. INSTALLMENTS & ACCELERATION

If a Regency at Esperanza AQ Assessment, other than a Regular Regency at Esperanza AQ Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Regency at Esperanza AQ Association may declare the entire Regency at Esperanza AQ Assessment in default and accelerate the due date on all remaining installments of the Regency at Esperanza AQ Assessment. A Regency at Esperanza AQ Assessment, other than a Regular Regency at Esperanza AQ Assessment, payable in installments may be accelerated only after the Regency at Esperanza AQ Association gives the Owner at least fifteen (15) days prior notice of the default and the Regency at Esperanza AQ Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Regency at Esperanza AQ Association has no duty to reinstate the installment program upon partial payment by the Owner.

Section 3. PAYMENTS

- 3-A. Application of Payments. After the Regency at Esperanza AQ Association notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, any payment received by the Regency at Esperanza AQ Association shall be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose:

- | | |
|---|--------------------------------------|
| (1) Delinquent assessments | (4) Other reasonable attorney's fees |
| (2) Current assessments | (5) Reasonable fines |
| (3) Reasonable attorney's fees and costs associated solely with delinquent assessments or any other charge that could provide the basis for foreclosure | (6) Any other reasonable amount |

- 3-B. Payment Plans. The Regency at Esperanza AQ Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months from the date the payment plan is requested for which the Owner may be charged reasonable administrative costs and interest. The Regency at Esperanza AQ Association will determine the actual term of each payment plan offered to an Owner in its sole and absolute discretion. An Owner is not entitled to a payment plan if the Owner has defaulted on a previous payment plan in the last two (2) years. The Regency at Esperanza AQ Association is not required to make a payment plan available to a Regency at Esperanza AQ Member after the Delinquency Cure Period allowed under Paragraph 5-B expires. If an Owner is in default at the time the Owner submits a payment, the Regency at

Esperanza AQ Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

- 3-C. Form of Payment. The Regency at Esperanza AQ Association may require that payment of delinquent Regency at Esperanza AQ Assessments be made only in the form of cash, cashier's check, or certified funds.
- 3-D. Partial and Conditioned Payment. The Regency at Esperanza AQ Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Regency at Esperanza AQ Board's policy for applying payments. The Regency at Esperanza AQ Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Regency at Esperanza AQ Association occurs when the Regency at Esperanza AQ Association posts the payment to the Owner's account. If the Regency at Esperanza AQ Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Regency at Esperanza AQ Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Regency at Esperanza AQ Association of partial payment of delinquent Regency at Esperanza AQ Assessments does not waive the Regency at Esperanza AQ Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.
- 3-E. Notice of Payment. If the Regency at Esperanza AQ Association receives full payment of the delinquency after Recording a notice of lien, the Regency at Esperanza AQ Association will cause a release of notice of lien to be publicly Recorded, a copy of which will be sent to the Owner. The Regency at Esperanza AQ Association may require the Owner to prepay the cost of preparing and Recording the release.
- 3-F. Correction of Credit Report. If the Regency at Esperanza AQ Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Regency at Esperanza AQ Association will report receipt of payment to the credit reporting service.

Section 4. LIABILITY FOR COLLECTION COSTS

- 4-A. Collection Costs. The defaulting Owner may be liable to the Regency at Esperanza AQ Association for the cost of title reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

Section 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Regency at Esperanza AQ Association may delegate some or all of the collection procedures, as the Regency at Esperanza AQ Board in its sole discretion deems appropriate, to the Regency at Esperanza AQ Association's Manager, an attorney, or a debt collector.
- 5-B. Delinquency Notices. If the Regency at Esperanza AQ Association has not received full payment of a Regency at Esperanza AQ Assessment by the due date, the Regency at Esperanza AQ

Association may send written notice of nonpayment to the defaulting Owner, by certified mail, stating: (a) the amount delinquent and the total amount of the payment required to make the account current, (b) the options the Owner has to avoid having the account turned over to a collection agent, as such term is defined in Texas Property Code Section 209.0064, including information regarding availability of a payment plan through the Regency at Esperanza AQ Association, and (c) that the Owner has forty-five (45) days for the Owner to cure the delinquency before further collection action is taken (the "Delinquency Cure Period"). The Regency at Esperanza AQ Association's delinquency-related correspondence may state that if full payment is not timely received, the Regency at Esperanza AQ Association may pursue any or all of the Regency at Esperanza AQ Association's remedies, at the sole cost and expense of the defaulting Owner.

- 5-C. Verification of Owner Information. The Regency at Esperanza AQ Association may obtain a title report to determine the names of the Owners and the identity of other lien-holders, including the mortgage company.
- 5-D. Collection Agency. The Regency at Esperanza AQ Board may employ or assign the debt to one or more collection agencies.
- 5-E. Notification of Mortgage Lender. The Regency at Esperanza AQ Association may notify the Mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Regency at Esperanza AQ Association may report the defaulting Owner to one or more credit reporting services. In that event, at least thirty (30) business days prior to reporting to a credit bureau, a copy of the notice shall be sent via certified mail, hand delivery or electronic delivery to the defaulting Owner, which shall include a detailed report of all delinquent charges owed and information regarding any payment plan opportunities offered to the defaulting Owner. The Association shall not report to a credit report service any delinquent charges, fines, or fees that are the subject of a pending dispute between the defaulting Owner and the Association. The defaulting Owner will not be liable for any costs or fees associated with any actual reporting of any delinquency to the credit reporting services.
- 5-G. Collection by Attorney. If the Owner's account remains delinquent for a period of ninety (90) days, the Manager of the Regency at Esperanza AQ Association or the Regency at Esperanza AQ Board shall refer the delinquent account to the Regency at Esperanza AQ Association's attorney for collection. In the event an account is referred to the Regency at Esperanza AQ Association's attorney, the Owner will be liable to the Regency at Esperanza AQ Association for its legal fees and expenses. Upon referral of a delinquent account to the Regency at Esperanza AQ Association's attorney, the Regency at Esperanza AQ Association's attorney will provide the following notices and take the following actions unless otherwise directed by the Regency at Esperanza AQ Board:
- (1) Initial Notice: Preparation of the Initial Notice of Demand for Payment Letter. If the account is not paid in full within forty-five (45) days (unless such notice has previously been provided by the Regency at Esperanza AQ Association), then

- (2) Lien Notice: Preparation of the Lien Notice and Demand for Payment Letter and Recordation of a Notice of Unpaid Regency at Esperanza AQ Assessment Lien. If the account is not paid in full within thirty (30) days, then
 - (3) Final Notice: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose and Notice of Intent to Foreclose to Lender. If the account is not paid in full within thirty (30) days, then
 - (4) Foreclosure of Lien: Only upon specific approval by a majority of the Regency at Esperanza AQ Board.
- 5-H. Notice of Lien. The Regency at Esperanza AQ Association's attorney may cause a notice of the Regency at Esperanza AQ Association's Regency at Esperanza AQ Assessment lien against the Owner's home to be publicly Recorded. In that event, a copy of the notice will be sent to the defaulting Owner and may also be sent to the Owner's Mortgagee.
- 5-I. Cancellation of Debt. If the Regency at Esperanza AQ Board deems the debt to be uncollectible, the Regency at Esperanza AQ Board may elect to cancel the debt on the books of the Regency at Esperanza AQ Association, in which case the Regency at Esperanza AQ Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.
- 5-J. Suspension of Use of Certain Facilities or Services. The Regency at Esperanza AQ Board may suspend the use of the Common Area amenities by an Owner, or his tenant, whose account with the Regency at Esperanza AQ is delinquent for at least forty-five (45) days.

Section 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, Manager, and attorney of the Regency at Esperanza AQ Association may exercise their independent, collective, and respective judgment in applying this policy.
- 6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Regency at Esperanza AQ Association to collect Regency at Esperanza AQ Assessments under the Regency at Esperanza AQ Documents and the laws of the State of Texas.
- 6-C. Limitations of Interest. The Regency at Esperanza AQ Association, and its officers, directors, Managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Regency at Esperanza AQ Documents or any other document or agreement executed or made in connection with this policy, the Regency at Esperanza AQ Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Regency at Esperanza AQ Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Regency at Esperanza AQ Assessments, or reimbursed to the Owner if those Regency at Esperanza AQ Assessments are paid in full.

- 6-D. Notices. Unless the Regency at Esperanza AQ Documents, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Regency at Esperanza AQ Association's records, or on personal delivery to the Owner. If the Regency at Esperanza AQ Association's records show that an Owner's property is owned by two (2) or more persons, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one Occupant is deemed notice to all Occupants. Written communications to the Regency at Esperanza AQ Association, pursuant to this policy, will be deemed given on actual receipt by the Regency at Esperanza AQ Association's president, secretary, managing agent, or attorney.
- 6-E. Amendment of Policy. This policy may be amended from time to time by the Regency at Esperanza AQ Board.

ATTACHMENT 5

REGENCY AT ESPERANZA AQ COMMUNITY, INC.
RECORDS INSPECTION, COPYING AND RETENTION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded in the Official Public Records of Kendall County, Texas, as the same may be amended from time to time (the "AQ Declaration").

Note: Texas statutes presently render null and void any restriction in the AQ Declaration which restricts or prohibits the inspection, copying and/or retention of association records and files in violation of the controlling provisions of the Texas Property Code or any other applicable state law. The Regency at Esperanza AQ Board has adopted this policy in lieu of any express prohibition or any provision regulating such matters which conflict with Texas law, as set forth in the AQ Declaration.

1. Written Form. The Regency at Esperanza AQ Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

2. Request in Writing; Pay Estimated Costs In Advance. An Owner (or an individual identified as an Owner's agent, attorney or certified public accountant, provided the designation is in writing and delivered to the Regency at Esperanza AQ Association) may submit a written request via certified mail to the Regency at Esperanza AQ Association's mailing address or authorized representative listed in the management certificate to access the Regency at Esperanza AQ Association's records. The written request must include sufficient detail describing the books and records requested and whether the Owner desires to inspect or copy the records. Upon receipt of a written request, the Regency at Esperanza AQ Association may estimate the costs associated with responding to each request, which costs may not exceed the costs allowed pursuant to Texas Administrative Code Section 70.3, as may be amended from time to time (a current copy of which is attached hereto). Before providing the requested records, the Regency at Esperanza AQ Association will require that the Owner remit such estimated amount to the Regency at Esperanza AQ Association. The Regency at Esperanza AQ Association will provide a final invoice to the Owner on or before the thirtieth (30th) business day after the records are provided by the Regency at Esperanza AQ Association. If the final invoice includes additional amounts due from the requesting party, the additional amounts, if not reimbursed to the Regency at Esperanza AQ Association before the thirtieth (30th) business day after the date the invoice is sent to the Owner, may be added to the Owner's account as a Regency at Esperanza AQ Assessment. If the estimated costs exceeded the final invoice amount, the Owner is entitled to a refund, and the refund shall be issued to the Owner not later than the thirtieth (30th) business day after the date the final invoice is sent to the Owner.

3. Period of Inspection. Within ten (10) business days from receipt of the written request, the Regency at Esperanza AQ Association must either: (1) provide the copies to the Owner; (2) provide available inspection dates; or (3) provide written notice that the Regency at Esperanza AQ Association cannot produce the documents within the ten (10) business days along with either: (i) another date within an additional fifteen (15) business days on which the records may either be inspected or by which the copies will be sent to the Owner; or (ii) a notice that after a diligent search, the requested records are missing and cannot be located.

4. **Records Retention.** The Regency at Esperanza AQ Association shall keep the following records for at least the time periods stated below:

- a. **PERMANENT:** The Regency at Esperanza AQ Certificate, the Bylaws and the AQ Declaration, any and all other governing documents, guidelines, rules, regulations and policies and all amendments thereto Recorded in the property records to be effective against any Owner and/or member of the Regency at Esperanza AQ Association.
- b. **FOUR (4) YEARS:** Contracts with a term of more than one (1) year between the Regency at Esperanza AQ Association and a third party. The four (4) year retention term begins upon expiration of the contract term.
- c. **FIVE (5) YEARS:** Account records of each Owner. Account records include debit and credit entries associated with amounts due and payable by the Owner to the Regency at Esperanza AQ Association, and written or electronic records related to the Owner and produced by the Regency at Esperanza AQ Association in the ordinary course of business.
- d. **SEVEN (7) YEARS:** Minutes of all meetings of the Regency at Esperanza AQ Board and the Owners.
- e. **SEVEN (7) YEARS:** Financial books and records produced in the ordinary course of business, tax returns and audits of the Regency at Esperanza AQ Association.
- f. **GENERAL RETENTION INSTRUCTIONS:** "Permanent" means records which are not to be destroyed. Except for contracts with a term of one (1) year or more (See item 4.b. above), a retention period starts on the last day of the year in which the record is created and ends on the last day of the year of the retention period. For example, if a record is created on June 14, 2023, and the retention period is five (5) years, the retention period begins on December 31, 2023 and ends on December 31, 2028. If the retention period for a record has elapsed and the record will be destroyed, the record should be shredded or otherwise safely and completely destroyed. Electronic files should be destroyed to ensure that data cannot be reconstructed from the storage mechanism on which the record resides.

5. **Confidential Records.** As determined in the discretion of the Regency at Esperanza AQ Board, certain Regency at Esperanza AQ Association records may be kept confidential such as personnel files, Owner account or other personal information (except addresses) unless the Owner requesting the records provides a court order or written authorization from the person whose records are sought.

6. **Attorney Files.** Attorney's files and records relating to the Regency at Esperanza AQ Association (excluding invoices requested by an Owner pursuant to Texas Property Code Section 209.008(d)), are not records of the Regency at Esperanza AQ Association and are not: (a) subject to

inspection by the Owner; or (b) subject to production in a legal proceeding. If a document in an attorney's files and records relating to the Regency at Esperanza AQ Association would be responsive to a legally authorized request to inspect or copy Regency at Esperanza AQ Association documents, the document shall be produced by using the copy from the attorney's files and records if the Regency at Esperanza AQ Association has not maintained a separate copy of the document. The Regency at Esperanza AQ Association is not required under any circumstance to produce a document for inspection or copying that constitutes attorney work product or that is privileged as an attorney-client communication.

7. *Presence of Regency at Esperanza AQ Board Member or Manager, No Removal.* At the discretion of the Regency at Esperanza AQ Board or the Regency at Esperanza AQ Association's Manager, certain records may only be inspected in the presence of a Regency at Esperanza AQ Board member or employee of the Regency at Esperanza AQ Association's Manager. No original records may be removed from the office without the express written consent of the Regency at Esperanza AQ Board.

TEXAS ADMINISTRATIVE CODE
TITLE 1, PART 3, CHAPTER 70
RULE §70.3 - CHARGES FOR PROVIDING COPIES OF PUBLIC INFORMATION

(a) The charges in this section to recover costs associated with providing copies of public information are based on estimated average costs to governmental bodies across the state. When actual costs are 25% higher than those used in these rules, governmental bodies other than agencies of the state, may request an exemption in accordance with §70.4 of this title (relating to Requesting an Exemption).

(b) Copy charge.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

- (A) Diskette--\$1.00;
- (B) Magnetic tape--actual cost;
- (C) Data cartridge--actual cost;
- (D) Tape cartridge--actual cost;
- (E) Rewritable CD (CD-RW)--\$1.00;
- (F) Non-rewritable CD (CD-R)--\$1.00;
- (G) Digital video disc (DVD)--\$3.00;
- (H) JAZ drive--actual cost;
- (I) Other electronic media--actual cost;
- (J) VHS video cassette--\$2.50;
- (K) Audio cassette--\$1.00;
- (L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--\$.50;
- (M) Specialty paper (e.g.: Mylar, blueprint, blue-line, map, photographic--actual cost.

(c) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.

(1) The hourly charge for a programmer is \$28.50 an hour. Only programming services shall be charged at this hourly rate.

(2) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

(3) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

(d) Labor charge for locating, compiling, manipulating data, and reproducing public information.

(1) The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(2) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

(A) Two or more separate buildings that are not physically connected with each other; or

(B) A remote storage facility.

(3) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(A) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(B) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(4) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(5) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(6) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

(e) Overhead charge.

(1) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(2) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(3) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $\$15.00 \times .20 = \3.00 ; or Programming labor charge, $\$28.50 \times .20 = \5.70 . If a request requires one hour of labor charge for

locating, compiling, and reproducing information (\$15.00 per hour); and one hour of programming labor charge (\$28.50 per hour), the combined overhead would be: $\$15.00 + \$28.50 = \$43.50 \times .20 = \8.70 .

(f) Microfiche and microfilm charge.

(1) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(2) If only a master copy of information in microfilm is maintained, the charge is \$.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

(g) Remote document retrieval charge.

(1) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(2) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

(h) Computer resource charge.

(1) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(2) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(3) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--\$10 per CPU minute; Midsize--\$1.50 per CPU minute; Client/Server--\$2.20 per clock hour; PC or LAN--\$1.00 per clock hour.

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $\$10 / 3 = \3.33 ; or $\$10 / 60 \times 20 = \3.33 .

(5) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

(i) Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

(j) Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

(k) Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).

(l) Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

(m) These charges are subject to periodic reevaluation and update.

Source Note: The provisions of this §70.3 adopted to be effective September 18, 1996, 21 TexReg 8587; amended to be effective February 20, 1997, 22 TexReg 1625; amended to be effective December 3, 1997, 22 TexReg 11651; amended to be effective December 21, 1999, 24 TexReg 11255; amended to be effective January 16, 2003, 28 TexReg 439; amended to be effective February 11, 2004, 29 TexReg 1189; transferred effective September 1, 2005, as published in the Texas Register September 29, 2006, 31 TexReg 8251; amended to be effective February 22, 2007, 32 TexReg 614.

ATTACHMENT 6

REGENCY AT ESPERANZA AQ COMMUNITY, INC.
STATUTORY NOTICE OF POSTING AND RECORDATION OF
REGENCY AT ESPERANZA AQ ASSOCIATION GOVERNING DOCUMENTS

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded in the Official Public Records of Kendall County, Texas, as the same may be amended from time to time (the "AQ Declaration").

1. Dedicatory Instruments. As set forth in Texas Property Code Section 202.001, "dedicatory instrument" means each document governing the establishment, maintenance or operation of a residential subdivision, planned unit development, condominium or townhouse regime, or any similar planned development. The term includes the AQ Declaration, or any similar instrument subjecting real property to: (a) restrictive covenants, bylaws, or similar instruments governing the administration or operation of a property owners' association; (b) properly adopted rules and regulations of the property owners' association; or (c) all lawful amendments to the covenants, bylaws, instruments, rules, or regulations. The term "dedicatory instrument" is referred to in this notice as the "Regency at Esperanza AQ Documents."

2. Recordation of All Regency at Esperanza AQ Documents. The Regency at Esperanza AQ Association shall file all of the Regency at Esperanza AQ Documents in the real property records of each county in which the property to which the Regency at Esperanza AQ Documents relate is located. Any dedicatory instrument comprising one of the Regency at Esperanza AQ Documents of the Regency at Esperanza AQ Association has no effect until the instrument is filed in accordance with this provision, as set forth in Texas Property Code Section 202.006.

3. Online Posting of Regency at Esperanza AQ Documents. The Regency at Esperanza AQ Association shall make the current versions of all of the Recorded Regency at Esperanza AQ Documents relating to the Regency at Esperanza AQ Association or AQ Development Area available on an internet website maintained by the Regency at Esperanza AQ Association, or a management company on behalf of the Regency at Esperanza AQ Association, which shall be accessible by the Members of the Esperanza AQ Association.

4. Management Certificate. The Regency at Esperanza AQ Association will maintain and update, as needed, a Management Certificate that contains: (a) the name of the subdivision; (b) the name of the Regency at Esperanza AQ Association; (c) the recording data for the subdivision; (d) the recording data for the declaration and any amendments; (e) the name and mailing address of the Regency at Esperanza AQ Association; (f) the name, and mailing address, telephone number, and email address of the person managing the Regency at Esperanza AQ Association or the Regency at Esperanza AQ Association's designated representative; (g) the website address where the Regency at Esperanza AQ Association's dedicatory instruments are available; (h) the amount and description of fees charged by the Regency at Esperanza AQ Association relating to a property transfer in the subdivision; and (i) any other information the Regency at Esperanza AQ Association considers appropriate. The Management Certificate must be signed and acknowledged by an officer or the managing agent of the Regency at

Esperanza AQ Association. An amended Management Certificate must be recorded not later than the thirtieth (30th) day after the date the Regency at Esperanza AQ Association has notice of a change in any information in the recorded certificate. Not later than the seventh day after the date a Management Certificate or amendment is recorded, the document will also be electronically filed with the Texas Real Estate Commission.

ATTACHMENT 7

REGENCY AT ESPERANZA AQ COMMUNITY, INC.
EMAIL REGISTRATION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded in the Official Public Records of Kendall County, Texas, as the same may be amended from time to time.

1. Purpose. The purpose of this Email Registration Policy is to facilitate proper notice of annual and special meetings of members of the Regency at Esperanza AQ Association pursuant to Section 209.0051(c) of the Texas Property Code.

2. Email Registration. Should the owner wish to receive any and all email notifications of annual and special meetings of members of the Regency at Esperanza AQ Association, it is the owner's sole responsibility to register his/her email address with the Regency at Esperanza AQ Association and to continue to keep the registered email address updated and current with the Regency at Esperanza AQ Association. In order to register an email address, the owner must provide their name, address, phone number and email address through the method provided on the Regency at Esperanza AQ Association's website, if any, and/or to the official contact information provided by the Regency at Esperanza AQ Association for the community manager.

3. Failure to Register. An owner may not receive email notification or communication of annual or special meetings of members of the Regency at Esperanza AQ Association should the owner fail to register his/her email address with the Regency at Esperanza AQ Association and/or properly and timely maintain an accurate email address with the Regency at Esperanza AQ Association. Correspondence to the Regency at Esperanza AQ Association and/or Regency at Esperanza AQ Association manager from an email address or by any method other than the method described in Paragraph No. 2 above will not be considered sufficient to register such email address with the Regency at Esperanza AQ Association.

4. Amendment. The Regency at Esperanza AQ Association may, from time to time, modify, amend, or supplement this Policy or any other rules regarding email registration.

ATTACHMENT 8

REGENCY AT ESPERANZA AQ COMMUNITY, INC.
55 AND OVER POLICY [AQ - 55 AND OVER]

Terms used but not defined in this policy shall have the meaning subscribed to such terms in the Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded in the Official Public Records of Kendall County, Texas, as may be amended from time to time ("AQ Declaration").

55 AND OVER POLICY FOR REGENCY AT ESPERANZA AQ [55 and Over]:

The Fair Housing Amendments Act (Title VIII of the Civil Rights Act), as may be amended and/or supplemented from time to time (collectively, the "Act") exempts, "housing for older persons" from the Act's prohibition against discrimination because of familial status. Section 807(b)(2)(C) of the Act exempts housing intended and operated for occupancy by persons 55 years of age or older which satisfies certain criteria. HUD has adopted implementing regulations further defining the "housing for older persons" exemption at 24 CFR part 100, subpart E (Housing for Older Persons Act, hereinafter: "HOPA").

There are four factors required for a facility to claim the 55 and older exemption:

- that the housing be intended and operated for persons age 55 and older; (24 CFR 100.304)
- that at least 80 percent of the occupied Lots be occupied by at least one person who is 55 years of age or older; (24 CFR 100.305)
- the housing facility or community must publish and adhere to policies and procedures that demonstrate its intent to operate as housing for persons fifty-five (55) years of age or older; (24 CFR 100.306) and
- the housing facility or community must also comply with rules issued by HUD for the verification of occupancy. (24 CFR 100.307).

Regency at Esperanza AQ [55 and Over] is qualified for the exemption as a community for 55 years or older persons. The intent is stated in *Article 2* of the AQ Declaration, as well as by the age rules adopted and enforced by the Regency at Esperanza AQ Association.

This policy's purpose is to cumulate in one place for easy reference the 55 and Over Policy adopted by the Regency at Esperanza AQ Association within the rules and broad discretion permitted under the Act and HOPA. The Regency at Esperanza AQ Board, in its sole discretion, may add, delete or change its policies within the scope permitted by the Act and HOPA, as well as Applicable Law.

QUALIFICATION FOR EXEMPTION UNDER THE FAIR HOUSING AMENDMENTS ACT OF 1988 AND HOPA:

In accordance with The Fair Housing Amendments Act of 1988 and HOPA, it is the intent of Regency at Esperanza AQ [55 and Over] to qualify as housing for older persons age 55 years or older in *Article 2* of the AQ Declaration:

1. Restrictions on Occupancy 55 and Over Community. The Lots within Regency at Esperanza AQ [55 and Over] are intended for the housing of persons fifty-five (55) years of age or older. The provisions of *Article 2* of the AQ Declaration are intended to be consistent with, and are set forth in order to comply with the Fair Housing Act, 42 U.S.C. §3601 *et seq.* (1988), as amended, the exemption for housing for older persons set out in 42 U.S.C. §3607(b)(2)(C), and the regulations promulgated thereunder (collectively, as may be amended, the "Fair Housing Act"), allowing discrimination based on familial status. Declarant has the power to amend *Article 2* of the AQ Declaration, without the consent of the Members or any person except Declarant, for the purpose of maintaining the 55 years of age and older requirement consistent with the Fair Housing Act, the regulations adopted pursuant thereto, and any related judicial decisions in order to maintain the intent and enforceability of *Article 2* of the AQ Declaration.

2. Each occupied Lot shall at all times be occupied by either: (i) Disregarded Residents; or (ii) no more than four (4) persons, at least one (1) of which shall be fifty-five (55) years of age or older. Notwithstanding the foregoing, a Lot may be occupied by any of the following persons provided, however, that, in any event, no person may occupy a Lot if occupancy by such person would result in fewer than eighty percent (80%) of all occupied Lots being occupied by at least one (1) person of not less than fifty-five (55) years of age: (i) persons nineteen (19) years of age or under, provided that any such persons do not occupy the Lot for more than a maximum period of ninety (90) days within any twelve (12) month period; (ii) any person who takes title to a Lot through a conveyance or change of interest by reason of death of the prior Owner of the Lot, whether provided for in a will, trust or decree of distribution; and (iii) any person granted an exception by the Regency at Esperanza AQ Board, in its sole discretion. For purposes of calculating the number of occupied Lots, Lots occupied solely by Disregarded Residents shall be excluded from such calculation.

3. Nothing in *Article 2* of the AQ Declaration shall restrict the ownership of or transfer of title to any Lot; provided, no Owner under the age of fifty-five (55) may occupy a Lot unless the requirements of *Article 2* of the AQ Declaration are met nor shall any Owner permit occupancy of the Lot in violation of *Article 2* of the AQ Declaration. Owners shall be responsible for including a statement that the Lots within Regency at Esperanza AQ [55 and Over] are intended for the housing of persons fifty-five (55) years of age or older, as set forth in *Article 2* of the AQ Declaration, in conspicuous type in any lease or other occupancy agreement or contract of sale relating to such Owner's Lot, which agreements or contracts shall be in writing and signed by the tenant or purchaser, and for clearly disclosing such intent to any prospective tenant, purchaser, or other potential occupant of the Lot. Every lease of a Lot shall provide that failure to comply with the requirements and restrictions of *Article 2* of the AQ Declaration shall constitute a default under the lease.

55 AND OVER POLICY:

1. Occupancy Requirements

- 1.1 There must be at least one person that is fifty-five (55) years of age or older (hereafter "Age Qualified Person" or "Age Qualified") residing on each Lot.
- 1.2 Persons 19 years of age or under may reside in Regency at Esperanza AQ [55 and Over] provided that such persons do not occupy the Lot for more than a maximum period of ninety (90) days within any twelve (12) month period and as long as there is an Age Qualified Person also occupying the Lot.
- 1.3 These occupancy requirements apply to Owners, renters and to house guests who occupy the Lot in the absence of the Age Qualified Owner or renter.

2. Occupancy Exception

- 2.1 The policy of the Regency at Esperanza AQ Association is not to permit under age occupancy on any Lot.
- 2.2 There is an exception for any person who takes title to a Lot through a conveyance or change of interest by reason of death of the prior Owner of the Lot, whether provided for in a will, trust or decree of distribution.
- 2.3 There is an exception for Disregarded Residents.

3. 80/20 Rule

- 3.1 No less than 80% of the occupied Lots shall be occupied by at least one Age Qualified Person. This does not mean that 20% of the Lots must be occupied by non-Age Qualified Persons. It means that as long as 80% of the Lots are occupied by at least one Age Qualified Person, Regency at Esperanza AQ [55 and Over] maintains its exemption under HOPA as a 55 years of age or older community.
- 3.2 The policy of the Regency at Esperanza AQ Association is to maintain the percentage of Age Qualified occupancy as close to 100% as possible, without mandating a greater percentage than the minimum 80% required by HOPA.
- 3.3 One of the primary reasons for the 80/20 rule adopted by Congress was to accommodate under age surviving spouses of Age Qualified decedents and to permit flexibility in specific situations at the sole discretion of the Regency at Esperanza AQ Board without endangering the HOPA exemption. Such exemption is permitted as long as the minimum 80% Age Qualified requirement under HOPA is not reduced. HOPA was enacted for the protection of the 55 years of age or older exemption and not to grant any rights to under age persons to occupy the 20% which is solely within the discretion of the Regency at Esperanza AQ Board.

4. **Verification of Age**

4.1 All residents, whether Owners, renters or house guests of absentee Owners or renters, must show evidence that at least one resident on the occupied Lot is Age Qualified. Any of the following documents are considered reliable documentation of the age of the Occupants:

- a) Driver's license
- b) Birth certificate
- c) Passport
- d) Immigration card
- e) Military identification
- f) Any other state, local, national or international official documents containing a birth date of comparable reliability
- g) A certification in a lease application, affidavit or other document signed by any member of the household age 19 or older asserting that at least one person on the Lot is 55 years of age or older.

4.2 The Regency at Esperanza AQ Board may consider any one of the forms of verification identified above as adequate for verification of age, provided that it contains specific information about current age or date of birth.

4.3 Such evidence must be shown at the time such Owner or renter comes to the Regency at Esperanza AQ Association offices to obtain the mandatory Regency at Esperanza AQ Association membership card which confirms age compliance with HOPA and permits use of the facilities of the Regency at Esperanza AQ Association.

4.4 If the Owners or Occupants of a particular Lot refuse to comply with the age verification procedures, the Regency at Esperanza AQ Association may, if it has sufficient evidence, consider the Lot to be occupied by at least one person 55 years of age or older; such evidence may include:

- a) Government records or documents such as a local household census;
- b) Prior forms or applications; or
- c) A statement from an individual who has personal knowledge of the age of the occupants. The statement must set forth the basis for such knowledge and be signed under penalty of perjury.

5. **Surveys for Compliance**

5.1 The Regency at Esperanza AQ Association will conduct surveys at least every two years and maintain a data base to verify age compliance as required by HOPA. All residents of Regency at Esperanza AQ [55 and Over] are required to respond to the surveys. Proof of occupancy by at least one Age Qualified Person in the occupied Lot as noted above must be provided in response to the survey unless already provided, in which case a reliable affidavit of current compliance is all that is required.

5.2 Copies of supporting information gathered in support of the occupancy verification may be segregated in a separate file and are considered confidential and not generally available for public inspection. They are created for the sole purpose of complying with HOPA and are to be

kept separate from the general or resident files that may be widely accessible to employees or other residents.

- 5.3 A summary of occupancy surveys shall be available for inspection upon reasonable notice and request by any person.

6. Disclosure of 55 and Over Policy

- 6.1 Any Owner or realtor who sells or leases real property in Regency at Esperanza AQ [55 and Over] shall disclose in the advertisements, purchase or lease documents that Regency at Esperanza AQ [55 and Over] is a 55 years of age or older community under HOPA. In the case of a lease of real property in Regency at Esperanza AQ [55 and Over], the lease agreement shall verify that at least one Occupant is Age Qualified by specific current age or date of birth stated in the lease agreement.

- 6.2 A copy of this 55 and Over Policy shall be provided by every Owner/seller/lessor to any prospective buyer or lessee to read and acknowledge. This document is to be included as part of the purchase or lease documents.

- 6.3 Disclosure shall also be made to any persons permitted by the Owner or renter to occupy the Lot as house guests in the absence of the Age Qualified Owner or renter. At least one house guest of such absentee Owner or lessee must be Age Qualified. The under 19 years of age occupancy prohibition rule also applies to such house guests.

- 6.4 Non-disclosure by the Owner/seller/lessor shall not prevent the Regency at Esperanza AQ Association from enforcing this 55 and Over Policy against any Owner and renter for noncompliance.

- 6.5 All "For Sale" or "For Rent/Lease" signs in Regency at Esperanza AQ [55 and Over], whether by Owner or by a realtor, shall prominently display that this is a "55 AND OVER COMMUNITY".

7. Enforcement

- 7.1 The Regency at Esperanza AQ Association will vigorously seek any and all remedies available to it by law including, but not limited to, fines and liens against the offending Owner's or Occupant's real property for non-compliance by the Owner, Occupant, or house guests.

- 7.2 The reporting and enforcement procedures for non-compliance shall be through the Regency at Esperanza AQ Board.

ATTACHMENT 9

REGENCY AT ESPERANZA AQ COMMUNITY, INC.
RELIGIOUS DISPLAY POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded in the Official Public Records of Kendall County, Texas, as the same may be amended from time to time.

1. **Display of Religious Items.** Section 202.018 of the Texas Property Code provides certain rights for an Owner or Occupant to display or affix one or more religious items on the Owner's or Occupant's property. The display of which is motivated by the Owner's or Occupant's sincere religious belief.
2. **Content Prohibitions.** No religious item may be displayed that: (a) threatens the public health or safety; (b) violates a law other than a law prohibiting the display of religious speech; or (c) contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content.
3. **Location Restrictions.** No religious item may be displayed that: (a) is installed on property owned or maintained by the Regency at Esperanza AQ Association; (b) installed on or within property owned in common by the Regency at Esperanza AQ Members; (c) violates any applicable building line, right-of-way, setback, or easement; or (d) is attached to a traffic control device, street lamp, fire hydrant, or utility sign, pole, or fixture.
4. **Removal.** The Regency at Esperanza AQ Association may cause to be removed any item which is in violation of the terms and provisions of this policy.
5. **Conflicts.** To the extent that any provision of the Regency at Esperanza AQ Association's recorded covenants restrict or prohibit an Owner or Occupant from displaying or affixing a religious item in violation of the controlling provisions of Section 202.018 of the Texas Property Code, the Regency at Esperanza AQ Association shall have no authority to enforce such provisions, and the provisions of this policy shall control.
6. **Amendment.** This policy may be amended by the Declarant during the Development Period and, thereafter, by a Majority of the Regency at Esperanza AQ Board.

ATTACHMENT 10

REGENCY AT ESPERANZA AQ COMMUNITY, INC.
POOL ENCLOSURES AND SECURITY MEASURES POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration for Regency at Esperanza [AQ - 55 and Over] recorded in the Official Public Records of Kendall County, Texas, as the same may be amended from time to time.

1. **Approval Required.** All improvements, including the installation of pool fencing, security measures, and security fencing, must be submitted for approval in accordance with the Architectural Control Committee's ("ACC") architectural review requirements. Written approval must be furnished to the Owner before installation or construction may commence.
2. **Swimming Pool Enclosures.** The term "Swimming Pool Enclosure" means a fence surrounding a water feature, including a swimming pool or spa, consisting of transparent mesh or clear panels set in metal frames, is not more than six feet (6') in height and is designed not to be climbable. An Owner must submit any request to install a Swimming Pool Enclosure to the ACC for approval. The ACC will apply its architectural requirements to the request; however, the ACC may not deny an Owner's request to install a Swimming Pool Enclosure if the Swimming Pool Enclosure conforms to Applicable Law and the Swimming Pool Enclosure is black in color and consists of transparent mesh set in metal frames.
3. **Security Measures.** To the extent an Owner is authorized by law to build or install security measures, including, but not limited to, a security camera, motion detector, or security/perimeter fencing, the Owner must still submit a request for architectural approval to the ACC in accordance with the Regency at Esperanza AQ Association's architectural review requirements for the construction or installation of Improvements. Front yard fencing is discouraged. However, if an Owner desires to install security fencing in the front yard, the fencing must consist of ornamental wrought iron or metal fencing (painted black) with the following general specifications: pickets 3/4" square; rails 1 1/2" square; standard posts 2 1/2" square; picket spacing between 3" and 4"; post spacing 8' OC; height between 48" and 60". Slats, planks, or other solid material may not be installed on metal fencing.
4. **Amendment.** This policy may be amended by the Declarant during the Development Period and, thereafter, by a Majority of the Regency at Esperanza AQ Board.

**Kendall County
Denise Maxwell
Kendall County
Clerk**

Instrument Number: 380667

eRecording - Real Property

RESTRICTIONS

Recorded On: June 08, 2023 10:31 AM

Number of Pages: 52

" Examined and Charged as Follows: "

Total Recording: \$226.00

******* THIS PAGE IS PART OF THE INSTRUMENT *******

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

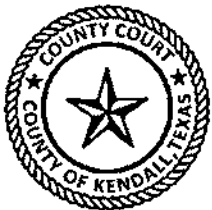
File Information:

Document Number: 380667
Receipt Number: 20230608000016
Recorded Date/Time: June 08, 2023 10:31 AM
User: Paula P
Station: cclerk06

Record and Return To:

Simplifile
5072 North 300 West

PROVO UT



**STATE OF TEXAS
COUNTY OF**

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Kendall County, Texas.

Denise Maxwell
Kendall County Clerk
Kendall County, TX

Denise Maxwell