

**ELECTRONICALLY RECORDED 201500219126  
08/17/2015 11:52:18 AM CONDOMINIUM 1/22**

**AFTER RECORDING RETURN TO:**

Jeanne Marie Katz, Esq.  
Winstead PC  
500 Winstead Building  
2728 N. Harwood Street  
Dallas, Texas 75271

**FIRST SUPPLEMENT TO THE HOUSE, A RESIDENTIAL CONDOMINIUM  
AND BLOCK J MASTER CONDOMINIUM  
DEDICATORY INSTRUMENT MANUAL**

The undersigned hereby certifies that on behalf of Block J Master Condominium Association, Inc., a Texas nonprofit corporation, and The House Residential Condominium Association, Inc., a Texas nonprofit corporation, the Master and Residential Associations of the Master Condominium and the Residential Condominium, that certain The House, a Residential Condominium and Block J Master Condominium Dedicatory Instrument Manual dated effective as of January 1, 2012, recorded as Document No. 201400020593 of the Official Public Records of Dallas County, Texas (the "Manual") is hereby supplemented as follows:

1. Attachment 3 of the Manual is hereby supplemented to include the Insurance Policy Guidelines attached to this First Supplement as Exhibit "A", and the Committee Guidelines attached to this First Supplement as Exhibit "B".

2. Except as modified hereby, the Manual remains valid and in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this certificate to be effective as of August 17, 2015.

[SIGNATURE PAGE FOLLOWS]

**AFTER RECORDING RETURN TO:**

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1. Attachment 3 of the Manual is hereby supplemented to include the Insurance Policy Guidelines attached to this First Supplement as Exhibit "A", and the Committee Guidelines attached to this First Supplement as Exhibit "B".
2. Except as modified hereby, the Manual remains valid and in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this certificate to be effective as of ~~June~~ 17, 2015. August

[SIGNATURE PAGE FOLLOWS]

**MASTER ASSOCIATION:**

**BLOCK J MASTER CONDOMINIUM ASSOCIATION, INC.,**

a Texas nonprofit corporation

By: [Signature]  
Name: Michael Carter  
Title: Authorized Signatory

STATE OF New York     §  
  §  
COUNTY OF New York

This instrument was acknowledged before me on the 14<sup>th</sup> day of July, 2015, by Michael Carter, the Authorized Signatory of BLOCK J MASTER CONDOMINIUM ASSOCIATION, INC., a Texas nonprofit corporation, on behalf of said corporation.

[Signature]  
Notary Public - State of New York

My Commission Expires: \_\_\_\_\_

Gregory J Nuber  
Printed Name of Notary

**GREGORY J. NUBER**  
Notary Public, State of New York  
No. 01NU5045215  
Qualified in New York County  
Commission Expires June 12, 2019

**RESIDENTIAL ASSOCIATION:**

**THE HOUSE RESIDENTIAL CONDOMINIUM ASSOCIATION, INC.,**  
a Texas nonprofit corporation

By: Michael Carter  
Name: Michael Carter  
Title: Authorized Signatory

STATE OF New York  
COUNTY OF New York

§  
§

This instrument was acknowledged before me on the 14<sup>th</sup> day of July, 2015, by Michael Carter, the Authorized Signatory of THE HOUSE RESIDENTIAL CONDOMINIUM ASSOCIATION, INC., a Texas nonprofit corporation, on behalf of said corporation.

[Signature]  
Notary Public - State of New York

My Commission Expires:

Gregory J Nuber  
Printed Name of Notary

**GREGORY J. NUBER**  
Notary Public, State of New York  
No. 01NU5045215  
Qualified in New York County  
Commission Expires June 12, 2019

Unofficial Copy

**EXHIBIT A**

**Insurance Policy Guidelines**

**[Cover Page]**

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**THE HOUSE RESIDENTIAL CONDOMINIUM ASSOCIATION, INC.**  
**INSURANCE POLICY GUIDELINES**

In 2013, the Texas Legislature modified Section 82.111 of the Texas Property Code, a copy of which is attached hereto as Exhibit A (the "**2013 Modification**"). Below is a summary of how the 2013 Modification affects The House, a Residential Condominium. All capitalized terms used herein but not defined shall have the same meaning as ascribed to such term in The House, a Residential Condominium and Block J Master Condominium Dedicatory Instrument Manual.

**Section 82.111(j)** – If the cost to repair damage to a Residence or Common Element covered by Master Association's or the Residential Association's insurance is **LESS THAN** the amount of the applicable insurance deductible, then the party who would be responsible for the repair in the absence of insurance (the party at fault) **shall** pay the cost for the repair of the Residence or Common Elements (*rather than the claim being submitted to the insurance carrier of the Master Association or Residential Association*).

**Section 82.111(l)** – If damage to a Residence or the Common Elements is due wholly or partly to an act or omission of any Residence Owner or a guest or invitee of the Residence Owner, the Residential Association may assess the deductible expense and any other expense in excess of the insurance proceeds against such Residence.

In connection with **Section 82.111(k)** of the Texas Property Code, the Residential Board of Directors hereby adopts this Guideline, which provides the following:

If the Master Association's or Residential Association's insurance provides coverage for the loss and the cost to repair the damage to a Residence or Common Element is **MORE THAN** the amount of the applicable insurance deductible, then the Residential Board of Directors shall have the option to assess the expense of the insurance deductible and other costs incurred by the Master Association or Residential Association before insurance proceeds are available against one or more of the Residence Owners as determined by the Residential Board of Directors in its reasonable discretion.

## EXHIBIT A

### SECTION 82.111 OF THE TEXAS PROPERTY CODE

Sec. 82.111. INSURANCE. (a) Beginning not later than the time of the first conveyance of a unit to a person other than a declarant, the association shall maintain, to the extent reasonably available:

(1) property insurance on the insurable common elements insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage, in a total amount of at least 80 percent of the replacement cost or actual cash value of the insured property as of the effective date and at each renewal date of the policy; and

(2) commercial general liability insurance, including medical payments insurance, in an amount determined by the board but not less than any amount specified by the declaration covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

(b) If a building contains units having horizontal boundaries described in the declaration, the insurance maintained under Subsection (a)(1), to the extent reasonably available, must include the units, but need not include improvements and betterments installed by unit owners.

(c) If the insurance described by Subsections (a) and (b) is not reasonably available, the association shall cause notice of that fact to be delivered or mailed to all unit owners and lienholders. The declaration may require the association to carry any other insurance, and the association in any event may carry any other insurance the board considers appropriate to protect the condominium, the association, or the unit owners. Insurance policies maintained under Subsection (a) may provide for commercially reasonable deductibles as the board determines appropriate or necessary. This section does not affect the right of a holder of a mortgage on a unit to require a unit owner to acquire insurance in addition to that provided by the association.

(d) Insurance policies carried under Subsection (a) must provide that:

(1) each unit owner is an insured person under the policy with respect to liability arising out of the person's ownership of an undivided interest in the common elements or membership in the association;

(2) the insurer waives its right to subrogation under the policy against a unit owner;

(3) no action or omission of a unit owner, unless within the scope of the unit owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy; and

(4) if, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the association's policy provides primary insurance.

(e) A claim for any loss covered by the policy under Subsection (a) (1) must be submitted by and adjusted with the association. The insurance proceeds for that loss shall be payable to an insurance trustee designated by the association for that purpose, if the designation of an insurance trustee is considered by the board to be necessary or desirable, or otherwise to the association, and not to any unit owner or lienholder.

(f) The insurance trustee or the association shall hold insurance proceeds in trust for unit owners and lienholders as their interests may appear. Subject to Subsection (i), the proceeds paid under a policy must be disbursed first for the repair or restoration of the damaged common elements and units, and unit owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the condominium is terminated.

(g) An insurance policy issued to the association does not prevent a unit owner from obtaining insurance for the owner's own benefit.

(h) The insurer issuing the policy may not cancel or refuse to renew it less than 30 days after written notice of the proposed cancellation or nonrenewal has been mailed to the association.

(i) Except as provided by this section, any portion of the condominium for which insurance is required that is damaged or destroyed shall be promptly repaired or replaced by the association unless the condominium is terminated, repair or replacement would be illegal under any state or local health or safety statute or ordinance, or at least 80 percent of the unit owners vote to not rebuild. Each owner of a unit may vote, regardless of whether the owner's unit or limited common element has been damaged or destroyed. A vote may be cast electronically or by written ballot if a meeting is not held for that purpose or in person or by proxy at a meeting called for that purpose. A vote to not rebuild does not increase an insurer's liability to loss payment obligation under a policy, and the vote does not cause a presumption of total loss. Except as provided by this section, the cost of repair or replacement in excess

of the insurance proceeds is a common expense, and the board may levy an assessment to pay the expenses in accordance with each owner's common expense liability. If the entire condominium is not repaired or replaced, any insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium, the insurance proceeds attributable to units and limited common elements that are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned, or to their mortgagees, as their interests may appear, and the remainder of the proceeds shall be distributed to all the unit owners in accordance with each owner's undivided interest in the common elements unless otherwise provided in the declaration. If the unit owners vote to not rebuild any unit, that unit's allocated interests shall be automatically reallocated on the vote as if the unit had been condemned, and the association shall prepare, execute, and record an amendment to the declaration reflecting the reallocation. Section 82.068 governs the distribution of insurance proceeds if the condominium is terminated.

(j) If the cost to repair damage to a unit or common element covered by the association's insurance is less than the amount of the applicable insurance deductible, the party who would be responsible for the repair in the absence of insurance shall pay the cost for the repair of the unit or common element.

(k) If the association's insurance provides coverage for the loss and the cost to repair the damage to a unit or common element is more than the amount of the applicable insurance deductible, the dedicatory instruments determine payment for the cost of the association's deductible and costs incurred before insurance proceeds are available. If the dedicatory instruments are silent, the board of directors of the association by resolution shall determine the payment of those costs, or if the board does not approve a resolution, the costs are a common expense. A resolution under this subsection is considered a dedicatory instrument and must be recorded in each location in which the declaration is recorded.

(l) If damage to a unit or the common elements is due wholly or partly to an act or omission of any unit owner or a guest or invitee of the unit owner, the association may assess the deductible expense and any other expense in excess of insurance proceeds against the owner and the owner's unit.

(m) The provisions of this section may be varied or waived if all the units in a condominium are restricted to nonresidential use.

**EXHIBIT B**

**Committee Guidelines**

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**THE HOUSE RESIDENTIAL CONDOMINIUM ASSOCIATION, INC.**

**COMMITTEE GUIDELINES**

**ARTICLE I**

**Applicability**

These Committee Guidelines shall be applicable to all Committees of the Residential Association. All Members shall be subject to these Committee Guidelines.

**ARTICLE II**

**Purpose**

The purpose of these Committee Guidelines is to provide guidelines regarding the appointment and operations of Committees of the Residential Association.

**ARTICLE III**

**Definitions and Interpretation**

**Section 3.1 Definitions.** The following terms shall have the meanings set forth below. Any capitalized terms not expressly defined herein shall have the same meaning as defined in the Residential Declaration.

"Appointment of Committee." An appointment of committee filed in the Minute Book by the President, a form of which is attached hereto as Exhibit A.

"Committee Member." A member of the Committee, and for the purposes of Article V of these Committee Guidelines any individual who is or was a Committee Member of a Committee.

"Committee Record Book." The record book of each Committee.

"Committees." Any committee appointed pursuant to the Residential Governing Documents and an Appointment of Committee.

"Guidelines." The guidelines of each Committee initially adopted by the President, as amended from time to time, relating to the purpose, appointment and operation of the Committee.

"Majority Vote of the Members." Has the meaning set forth in the Residential Bylaws.

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

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

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

"Minute Book." The minute book of the Residential Association.

"Official Capacity." When used with respect to a Committee Member, means the office of Committee Member in a Committee of the Residential Association.

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

"Proceeding." Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit, or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

"Quorum." Has the meaning set forth in Section 4.11 of these Committee Guidelines.

"Residential Association." The House Residential Condominium Association, Inc., a Texas nonprofit corporation, and any domestic or foreign successor entity of the Residential Association in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Residential Association by operation of law or in any other transaction in which the Residential Association assumes the liabilities of the predecessor.

"Residential Board of Directors." Those individuals serving as Residential Board of Directors pursuant to Article VII of the Residential Bylaws and their successors as duly appointed or elected, as applicable, and qualified from time to time.

"Residential Condominium." The House, a Residential Condominium, formed pursuant to the Residential Declaration.

"Residential Declaration." The Amended and Restated Residential Condominium Declaration for The House, a Residential Condominium, and all recorded amendments thereto, which shall be recorded in the real property records of the County.

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

**Section 3.2 Interpretation.** In the event of a conflict of interpretation between the provisions set forth in these Committee Guidelines and the Residential Bylaws, the Residential Bylaws shall govern.

## ARTICLE IV The Committees

### Section 4.1 Authority; Number of Committee Members.

(a) The affairs of a Committee shall be governed by the Committee Members. Pursuant to Section 8.4 of the Residential Bylaws, the President shall appoint each Committee and the Committee Members by filing in the Minute Book of the Residential Association (i) an Appointment of Committee to designate the initial Committee Members, and (ii) a set of Guidelines for the Committee (collectively with the Appointment of Committee, the "Committee

Appointment Documents"). At least one member of the Residential Board of Directors will be a Committee Member. The initial Committee Members shall serve until their successors are duly appointed or elected, as applicable, and qualified.

(b) Except for Declarant representatives, each Committee Member must be a Residence Owner and an occupant of the Residences for a minimum of six months per year, or in the case of an entity ownership of a Residence, a duly authorized agent or representative of the entity owner and an occupant of a Residence. The entity owner shall be designated as the Committee Member in all correspondence or other documentation setting forth the names of the Committee Members.

**Section 4.2 Term of Committee Members and Compensation.** Except as otherwise set forth herein or in the applicable Guidelines, each Committee Member shall serve for a term of two years and may serve an unlimited number of consecutive terms. Each Committee Member shall continue to hold office until his successor is duly appointed or elected, as applicable, and qualified. The Committee Members shall serve without compensation for such service.

**Section 4.3 Removal of Committee Members for Cause.** If a Committee Member breaches such Committee Member's duties hereunder or violates the terms of the Residential Governing Documents, such Committee Member may be removed by a majority vote of the remaining Committee Members of such Committee. No Committee Member shall have any voting rights nor may such Committee Member participate in any meeting of the Committee at any time that such Committee Member is delinquent in the payment of any Residential Assessments or other charges owed to the Residential Association. Any Committee Member that is 90 days delinquent in the payment of Residential Assessments or other charges more than three consecutive times shall be removed as a Committee Member.

**Section 4.4 Vacancies on a Committee.** If the office of any Committee Member shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the President, shall choose a successor within ten days of the vacancy. The successor Committee Member shall fill the unexpired term of the Committee Member being vacated. At the expiration of the term of his position on the Committee, the successor Committee Member shall be re-elected or his successor shall be elected in accordance with these Committee Guidelines.

**Section 4.5 Removal of Committee Members by Members.** Committee Members may be removed, with or without cause, by a majority vote of the Residential Board of Directors at any special meeting of the Residential Board of Directors of which notice has been properly given as provided in the Residential Bylaws; provided the same notice of this special meeting has also been given to the Manager and the entire Committee, including any individual Committee Member whose removal is to be considered at this special meeting.

**Section 4.6 Organizational Meeting of the Committee.** No later than 20 days following the filing of the Committee Appointment Documents in the Minute Book, the Committee shall hold a regular meeting for the purposes of organization and transaction of other

business. Notice of this meeting shall be given to all Committee Members and the Manager in accordance with Section 4.9 of these Committee Guidelines.

**Section 4.7 Place of Meetings.** All meetings of the Committee shall be held at the place or places designated at any time by resolution of the Committee or by written consent of all of the Committee Members. Meetings of the Committee may be held by any means of remote electronic communication, including telephonic, videoconferencing or the internet if each person entitled to participate in the meeting consents to the meeting being held by means of that system, provided that each Committee Member may communicate concurrently with every other Committee Member, and any such meeting may involve consideration of any action.

**Section 4.8 Regular Committee Meetings.** Regular meetings of the Committee may be held at any time and place permitted by law as from time to time may be determined by the Committee. Notice of regular meetings of the Committee shall be given to each Committee Member and the Manager personally, by telephone, electronic mail, facsimile or by United States mail, with postage prepaid, directed to him at his last known post office address, as the same appears Appointment of Committee, at least ten but not more than 40 days before the date of the meeting. This notice shall state the date, time, place and purpose of the meeting.

**Section 4.9 Special Meetings of the Committee.** Special meetings of the Committee may be held at any time and place permitted by law as from time to time may be determined by the Committee and after three days prior notice to each Committee Member and the Manager. This notice shall state the date, time, place and purpose of the meeting. Special meetings of the Committee may be held by any means of remote electronic communication, including telephonic, videoconferencing or the internet if each person entitled to participate in the meeting consents to the meeting being held by means of that system, provided that each Committee Member may communicate concurrently with every other Committee Member.

**Section 4.10 Waiver of Notice.** Before any meeting of the Committee, whether regular or special, any Committee Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to giving the required notice, unless such participation is for the express purpose of objecting to the transaction of business at the meeting on the grounds that such meeting has not been lawfully called or convened. All written waivers shall be filed in the Committee Record Book or made a part of the minutes of the meeting. Participation by a Committee Member at any meeting of the Committee shall likewise constitute a waiver by him of the required notice. If all Committee Members are present at any meeting of the Committee, no notice of the meeting, other than notice to the Manager, shall be required and any business may be transacted at the meeting except as prohibited by law or these Committee Guidelines.

**Section 4.11 Committee Members Quorum.** At all duly convened meetings of the Committee, two Committee Members must be present to constitute a quorum for the transaction of business, except as otherwise expressly provided in these Committee Guidelines or the Committee Appointment Documents subject to the limitations set forth in the Residential Declaration. The acts of a majority of the Committee Members present at the meeting at which a quorum is present shall be the acts of the Committee.

**Section 4.12 Consent in Writing.** Any action by the Committee, may be taken without a meeting if a majority of the Committee Members shall unanimously consent in writing to the action. Such written consent shall be filed in the Committee Record Book. Any action taken by such written consent shall have the same force and effect as a majority vote of the Committee Members.

**Section 4.13 Records.** The Committee shall cause a complete record of all of its acts and the corporate affairs of the Committee to be kept in the Committee Record Book. The Committee, upon the request of the Residential Board of Directors, will present a general report to the Members of the Residential Association or the Residential Board of Directors.

**Section 4.14 Powers and Duties.** Subject to the Residential Governing Documents, the Committee shall have and exercise all powers and duties necessary as set forth in the Committee Appointment Documents. The Committee shall have powers and duties as set forth in the Guidelines. Each Committee Member individually and each Committee shall perform the duties and powers of the Committee in good faith as a fiduciary of the Residential Association, in a manner which each Committee Member believes to be in the best interest of the Residential Association and with the care of a person of ordinary prudence under similar circumstances, including, but not limited to, reasonable inquiry, skill and diligence.

**Section 4.15 Liability; Conduct of Committee Members.** No Committee Member shall be personally liable for debts or liabilities of the Committee or the Residential Association. A Committee Member is not liable to the Residential Association, any Member or any other person for an action taken or omission made or mistake in judgment by the Committee Member in the Person's capacity as a Committee Member, whether negligent or otherwise, unless the Committee Member's conduct was not exercised: (a) in good faith, (b) with ordinary care, and (c) in a manner that the Committee Member reasonably believed to be in the best interest of the Committee and the Residential Association. The liability of Committee Members of the Committees shall, to the fullest extent permitted by law, be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

**Section 4.16 Open Meeting.** Meetings of the Committees shall be open to all Members and the Manager.

## ARTICLE V

### Indemnification of Committee Members

**Section 5.1 General Indemnification.** The Residential Association shall indemnify an individual who was, is, or is threatened to be made a named defendant or respondent in a Proceeding because the individual is or was a Committee Member only if it is determined in accordance with Section 5.5 of these Committee Guidelines that the individual: (a) conducted himself or herself in good faith; (b) reasonably believed: (i) in the case of conduct in such individual's Official Capacity as a Committee Member of the Committee, that his conduct was in the Committee and the Residential Association's best interests and (ii) in all other cases, that his conduct was at least not opposed to the Committee or the Residential Association's best interests

and (c) in the case of any criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful.

**Section 5.2 Personal Interest or Liability.** A Committee Member shall not be indemnified by the Residential Association as provided in Section 5.1 of these Committee Guidelines for obligations resulting from a Proceeding: (a) in which the Committee Member is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the individual's Official Capacity; or (b) in which the individual is found liable to the Residential Association, except to the extent permitted in Section 5.4 of these Committee Guidelines.

**Section 5.3 Final Judgment Required.** The termination of a Proceeding by judgment, order, settlement, or conviction or on a plea of *nolo contendere* or its equivalent is not of itself determinative that the individual did not meet the requirement set forth in Section 5.1 of these Committee Guidelines. An individual shall be deemed to have been found liable in respect of any claim, issue or matter only after the individual shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom or after such judgment becomes final and non-appealable.

**Section 5.4 Limited Indemnification.** An individual may be indemnified by the Residential Association as provided in Section 5.1 of these Committee Guidelines against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses, including court costs and attorneys fees actually incurred by the individual in connection with a Proceeding; but if the individual is found liable to the Residential Association or is found liable on the basis that personal benefit was improperly received by the individual, the indemnification (a) is limited to reasonable expenses actually incurred by the individual in connection with the Proceeding including court costs and attorneys fees and (b) shall not be made in respect of any Proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Residential Association.

**Section 5.5 Determination of Indemnification.** A determination of indemnification under Section 5.1 of these Committee Guidelines must be made: (a) by a majority vote of a quorum of Committee Members who at the time of the vote are not named defendants or respondents in the Proceeding; (b) if such a quorum cannot be obtained, by a majority vote of a committee of the Residential Board of Directors; or (c) by special legal counsel selected by the Committee or, if such a quorum cannot be obtained, by a majority vote of all Committee Members.

**Section 5.6 Authorization and Determination of Reasonableness of Expenses.** Authorization of indemnification and determination as to reasonableness of expenses (including court costs and attorneys fees) must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses (including court costs and attorneys fees) must be made in the manner specified by subsection (c) of Section 5.5 of these Committee Guidelines for the selection of special legal counsel. A provision contained in the Residential Certificate of Formation, the Residential Bylaws, a resolution of the Residential Board of Directors or an

agreement that makes mandatory the indemnification described in Section 5.1 of these Committee Guidelines shall be deemed to constitute authorization of indemnification in the manner required herein, even though such provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

**Section 5.7 Success in a Proceeding.** The Residential Association shall indemnify a Committee Member against reasonable expenses (including court costs and attorneys fees) incurred by him in connection with a Proceeding in which he is a named defendant or respondent because he is or was a Committee Member if he has been wholly successful on the merits or otherwise, in the defense of the Proceeding.

**Section 5.8 Court Determination of Indemnification.** If, upon application of a Committee Member, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the Committee Member is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in Section 5.1 of these Committee Guidelines or has been found liable in the circumstances described in Section 5.2 of these Committee Guidelines, the Residential Association shall indemnify the Committee Member to such further extent as the court shall determine; but if the individual is found liable to the Residential Association or is found liable on the basis that personal benefit was improperly received by the individual, the indemnification shall be limited to reasonable expenses (including court costs and attorneys fees) actually incurred by the individual in connection with the Proceeding.

**Section 5.9 Advancing Committee Member Expenses.** Reasonable expenses (including court costs and attorneys fees) incurred by a Committee Member who was, is, or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Residential Association in advance of the final disposition of the Proceeding and without the determination specified in Section 5.5 of these Committee Guidelines or the authorization or determination specified in Section 5.6 of these Committee Guidelines after the Residential Association receives a written affirmation by the Committee Member of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article V and a written undertaking by or on behalf of the Committee Member to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or it is ultimately determined that indemnification of the Committee Member against expenses (including court costs and attorneys fees) incurred by him in connection with that Proceeding is prohibited by Section 5.4 of these Committee Guidelines. A provision contained in the Residential Certificate of Formation, the Residential Bylaws, these Committee Guidelines, a resolution of the Residential Board of Directors, or an agreement that makes mandatory the payment or reimbursement permitted under this Section 5.9 shall be deemed to constitute authorization of that payment or reimbursement.

**Section 5.10 Repayment of Expenses by Committee Member.** The written undertaking required by Section 5.9 of these Committee Guidelines must be an unlimited general obligation of the Committee Member but need not be secured. It may be accepted without reference to financial ability to make repayment.

**Section 5.11 Witness Expenses.** Notwithstanding any other provision of this article, the Residential Association may pay or reimburse expenses (including attorneys fees) incurred by a Committee Member in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

**Section 5.12 Insurance Authorized.** The Residential Association may purchase and maintain insurance or another arrangement on behalf of any individual who is or was a Committee Member of a Committee or who is or was serving at the request of the Residential Association as a Committee Member against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a Person, whether or not the Residential Association would have the power to indemnify him against that liability under this Article V. Without limiting the power of the Residential Association to procure or maintain any kind of insurance or other arrangement, the Residential Association may, for the benefit of individuals indemnified by the Residential Association: (a) create a trust fund; (b) establish any form of self-insurance; (c) secure its indemnity obligations by grant of a security interest or other lien on the assets of the Residential Association; or (d) establish a letter of credit, guaranty or surety agreement. The insurance or other arrangement may be procured, maintained or established within the Residential Association or with any insurer or other individual deemed appropriate by the Residential Board of Directors, regardless of whether all or part of the stock or other securities of the insurer or other Person are owned in whole or part by the Residential Association. In the absence of fraud, the judgment of the Residential Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other Person participating in an arrangement shall be conclusive, and the insurance or arrangement shall not be voidable and shall not subject the Directors approving the insurance or arrangement to liability, on any ground, regardless of whether Directors participating in the approval are beneficiaries of the insurance or arrangement. Notwithstanding the provisions of this Section 5.12 in the event of any conflict between the provisions of this Section 5.12 and the provisions of the Residential Declaration, the provisions of the Residential Declaration shall control.

**Section 5.13 Indemnification Prohibited by the Residential Declaration.** Notwithstanding any provision of this Article V to the contrary, no indemnification shall be authorized by or provided under this Article V for any act in violation of any Legal Requirements.

## ARTICLE VI Committee Record Book

Each Committee shall keep or cause to be kept (a) the name and mailing address of each Committee Member; (b) voting records, proxies and correspondence relating to all Committee decisions; and (c) the minutes of all meetings of the Committee. The Committee Record Book shall be available for inspection by the Residential Association, Residence Owners, Residential Mortgagees and their respective agents and representatives, during normal business hours.

**ARTICLE VII**  
**Miscellaneous**

**Section 7.1 Amendments to Committee Guidelines.** These Committee Guidelines may be amended from time to time by the Residential Board of Directors.

**Section 7.2 Inspection of Committee Guidelines.** The Residential Association shall keep in the Minute Book the original or a copy of these Committee Guidelines, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members during normal business hours.

**Section 7.3 Construction.** Number and gender as used in these Committee Guidelines shall extend to and include both singular and plural and all genders as the context and construction require.

[Signature Page Follows]

Unofficial Copy

Adopted effective as of August 17, 2015.

THE HOUSE RESIDENTIAL CONDOMINIUM ASSOCIATION, INC.,  
a Texas nonprofit corporation

[Signature]  
\_\_\_\_\_  
Michael Carter, President  
Authorized Signatory

New York  
THE STATE OF ~~TEXAS~~ §  
New York §  
COUNTY OF ~~DALLAS~~ §

This instrument was acknowledged before me on the 14<sup>th</sup> day of May, 2015, by Michael Carter, President of THE HOUSE RESIDENTIAL CONDOMINIUM ASSOCIATION, INC., a Texas nonprofit corporation, on behalf of said corporation.

[S E A L]

[Signature]  
\_\_\_\_\_  
Notary Public, State of ~~Texas~~ New York

My Commission Expires:

**GREGORY J. NUBER**  
Notary Public, State of New York  
No. 01NU5045215  
Qualified in New York County  
Commission Expires June 12, 2015

Gregory J. Nuber  
\_\_\_\_\_  
Printed Name of Notary Public

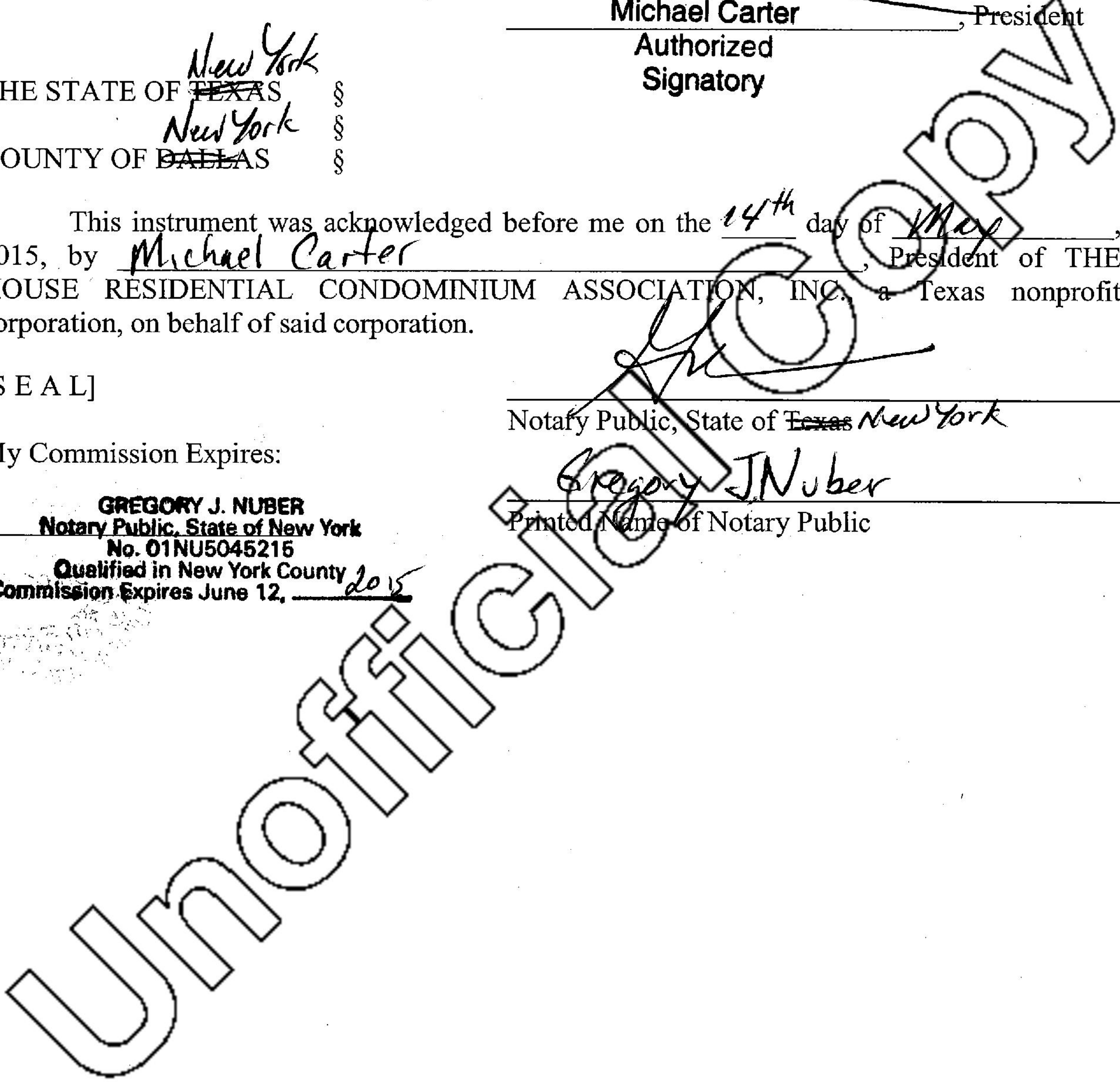


Exhibit A

Form of Appointment of Committee

**APPOINTMENT OF COMMITTEE**

The undersigned, being the person named as the President of the Residential Board of Directors of THE HOUSE RESIDENTIAL CONDOMINIUM ASSOCIATION, INC., a Texas nonprofit corporation (the "Residential Association") hereby, pursuant to Section 4.1(a) of the Committee Guidelines and Section 8.4 of the Residential Bylaws, adopts the attached Guidelines for the [ ] Committee (the "Committee"). Those capitalized terms not expressly defined herein have the same meaning as defined in the Committee Guidelines.

The number of Committee Members constituting the initial [ ] Committee is [ ], and the names and addresses of the Persons who are to serve as Committee Members of the [ ] Committee are:

[Residential Board of Director Member]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Secretary of the Residential Association is directed to place this Appointment in the Minute Book of the Residential Association.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the undersigned President of the Residential Board of Directors does hereby execute this Appointment effective as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

RESIDENTIAL ASSOCIATION PRESIDENT:

Printed Name: \_\_\_\_\_, President

Date Executed: \_\_\_\_\_

Unofficial Copy

Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
08/17/2015 11:52:18 AM  
\$110.00  
201500219126

