

**PROPOSED
AMENDED AND RESTATED BY-LAWS
OF
SPRING BRANCH OAKS CIVIC ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Spring Branch Oaks Civic Association (hereinafter referred to as the "Association"). The principal office of the Association shall be located at the place stated in Spring Branch Oaks Civic Association Management Certificate as filed with the Harris County Clerk, but meetings of Members and directors may be held at such places within the State of Texas, County of Harris, or any adjacent county, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1: "Association" shall mean and refer to Spring Branch Oaks Civic Association, a Texas non-profit corporation, its successors and assigns.

Section 2: "Common Area" shall mean and refer to all properties, real or personal, owned, leased or used by the Association for the common use and enjoyment of the owners.

Section 3: "Declarant" shall mean and refer to E.A. Parks, and its successors and assigns provided that an assign is designated in writing by the former Declarant, as an assign of all, or part, of the rights of the Declarant under the declaration.

Section 4: "Declaration" shall mean and refer to the Deed Restrictions recorded in the Official Public Records of Real Property of Harris County, Texas on August 14, 1952 under the Clerk's file number 1030123 for Saddle Spur and the Deed Restrictions recorded in the Official Public Records of Real Property of Harris County, Texas on March 17, 1952 under the Clerk's file number 978782 and as the same may be amended from time to time as therein provided.

Section 5: "Electronic Ballot" an electronic ballot is one given by e-mail, facsimile or by posting on an internet website, for which the identity of the property owner submitting the ballot can be confirmed; and for which the property owner may receive a receipt of the electronic transmission and receipt of the owner's ballot.

Section 6: "Lot" shall mean and refer to any of the numbered lots shown on a recorded subdivision map of the Properties intended for the construction of a single family residence, excluding reserve tracts or common area, but including Lots created by a replat of a reserve tract.

Section 7: “Member” shall mean and refer to every person or entity which holds a Membership in the Association, specifically, a record owner as described further in Section 9 below.

Section 8: “Membership” shall mean every Owner within the Association shall be a member. Membership shall be appurtenant to and may not be separated from ownership of any property which is subject to neighborhood and other Assessments imposed by the Association, as applicable.

Section 9: “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest, or a royalty interest.

Section 10: “Properties” shall mean and refer to the property which has been platted at Spring Branch Oaks Sections 1, 2, 3, and 4 and Saddle Spur Subdivision, subdivisions of land in Harris County, Texas according to the plat thereof, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 11: “Votes.” Owners shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all of such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. No cumulative voting shall be permitted.

Section 12: “Written Notice” shall mean a writing on paper sent by mail, a writing sent via a facsimile transmittal, an e-mail, a posting to the association’s website, a posting in a conspicuous common area or a hand-delivered notice.

ARTICLE III MEETINGS OF MEMBERS

Section 1: Annual Meetings. The Board of Directors shall call an annual meeting of the members of the Association. Annual member meetings shall be held as determined by the Board of Directors.

Section 2: Special Meetings. Special meetings of the Members may be called at any time by the President or by the board of Directors or upon written request of the Members who are entitled to vote one-third (1/3) of the aggregate votes of the Members.

Section 3: Notice of Annual and/or Special Meetings. Not later than the 10th day or earlier than the 60th day before the date of an election or vote, the Association shall give written notice of the **annual meeting, election or vote** to:

1. each member in the Association for purposes of an association-wide election, vote, annual meeting or special meeting; or
2. each owner of property in the property owners' association entitled under the dedicatory instruments to vote in a particular representative election, for purposes of a vote that involves election of representatives of the association who are vested under the dedicatory instruments of the property owners' association with the authority to elect or appoint board members of the property owners' association.

Members shall be given notice of the date, place, hour and general subject of a **special meeting**, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

- 1) mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting; **or**
- 2) provided at least 72 hours before the start of the meeting by:
 - a. posting the notice in a conspicuous manner reasonably designed to provide notice to the members:
 - i. in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or
 - ii. on an Internet website maintained by the association or other Internet media; and
 - b. sending the notice by e-mail to each owner who has registered an e-mail address with the association.

It is an owner's duty to keep an updated e-mail address registered with the Association.

Section 4: Quorum. A quorum shall constitute the presence at the meeting of 15 Members or owners entitled to cast or of proxies entitled to cast for any action except as otherwise provided in the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Board of Directors may recess the meeting to be continued to the following regular business day, without notice other than announcement at the meeting, until a quorum aforesaid shall be present or represented by proxy.

Section 5: Proxies/Absentee Ballots. At all meetings of Members, each Member who is entitled to vote may vote in person, by electronic transmission or absentee ballot if the association makes such means available, or by proxy. All electronic transmission of votes must contain or be accompanied by information from which it can be determined that the transmission is authorized by the Member. All proxies shall be in writing or given by electronic transmission with appropriate identifying information and filed with the Secretary. Each proxy shall be revocable by written notice to the Secretary and shall automatically cease should membership in the Association cease.

ARTICLE IV BOARD OF DIRECTORS

Section 1: Number. The affairs of the Association shall be managed by the board of directors containing not less than three (3) or more than five (5) Members. The number of directors may be increased at any time by amendment of these By-Laws.

Section 2: Term of Office. The term of office of a Board member shall be three (3) years. Director's terms shall be staggered. At each annual meeting of the Members, the Members shall elect the number of directors equal to the number of directors whose term expires at such time. Each Director elected shall hold office until his or her term expires and/or until his successor is elected or the earlier of his death, resignation or removal.

Section 3: Ineligibility to Serve. A member may not serve on the Board of Directors if the member has been convicted of a felony or a crime involving moral turpitude. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a board member has been convicted of a felony or crime involving moral turpitude, the board member is immediately ineligible to serve on the board of the property owners' association, automatically considered removed from the board and prohibited from future service on the Board.

Section 4: Removal, Death or Resignation of a Board Member. The Members may remove any director without cause by a majority vote of the membership at a meeting called for such purpose. For cause, a director may be removed at any meeting of the Board of Directors, by the affirmative vote of the majority of the Board of Directors then in office. Cause includes, but is not limited to: 1) failure of a Board Member to attend to his or her duties and responsibilities as determined by a majority of the Officers and 2) absence from 3 consecutive Board or Member meetings. In the event of removal, an election must be held in accordance with the terms of these Bylaws. In the event of the death, resignation, or disability of a Board Member, his successor shall be appointed by the Board of Directors at a Special Meeting called for such purpose and he or she shall serve for the unexpired term of his predecessor.

Section 5: Compensation. No director shall receive compensation for any service he may render to the Association. However, upon prior approval by a majority of the Board of Directors, any director may be reimbursed for actual, reasonable and customary expenses incurred in the performance of his duties.

Section 6: Action Taken Without Prior Notice to Owners The Board may meet by any method of communication, including electronic and telephonic, without prior notice to owners if each director may hear and be heard by every other director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate board action. Any action taken without notice to owners 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 board meeting. The Board may not without prior notice to owners consider or vote on:

- 1) fines;
- 2) damage assessments;
- 3) initiation of foreclosure actions;
- 4) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- 5) increases in assessments;
- 6) levying of special assessments;
- 7) appeals from denial of architectural control approval; or
- 8) a suspension of a right of a particular owner before the owner has an opportunity to attend a Board meeting to present the owner's position, including any defense, on the issue.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination. Nominations for election to the Board of Directors may be made by a Nominating Committee appointed by the Board of Directors or elected by the members at a general membership or annual meeting. Nominations may also be made from the floor at the general membership or annual meeting. The Nominating Committee shall consist of three members of the Association, and shall serve from the close of the current annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All nominees must be members of the Association. Alternatively, members may self-nominate by submitting their name and property address to the Board of Directors via fax, mail or e-mail, at least 30 days prior to the election.

Section 2: Election. Election to the Board of Directors shall be by in person or by proxy via written ballot, absentee ballot, or electronic ballot at the annual meeting. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such frequency as the Board from time to time deems necessary.

Section 2: Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after no less than three (3) days notice to each director.

Section 3: 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 BOARD.

Section 4: Open Board Meetings. Members shall be given notice of the date, place, hour and general subject of a regular or special meeting Board Meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

- 1) mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting; **or**
- 2) provided at least 72 hours before the start of the meeting by:
 - a. posting the notice in a conspicuous manner reasonable designed to provide notice to the members:
 - i. in a place located on the association's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or
 - ii. on an Internet website maintained by the association or other Internet media; and
 - b. sending the notice by e-mail to each owner who has registered an e-mail address with the association.

It is an owner's duty to keep an updated e-mail address registered with the Association.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to exercise the rights and duties enumerated under Texas Property Code §204.010 and the Texas Business Organizations Code in addition to the following:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities located thereupon, and the personal conduct of the Members or their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the Association's facilities of a Member during any period in which such Member shall be delinquent in the payment of any assessment levied by the Association in excess of 30 days.

Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of the Members of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Members who are entitled to vote;
- (b) Supervise all officers, agents and employees of the association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot as set forth in the Declaration;
 - (2) send written notice via US mail of each assessment to every Owner subject thereto as set forth in the Declaration; and
 - (3) bring an action at law against the owner, who is personally obligated to pay assessments, of any property for which assessments are unpaid,
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association and, at the option of the Board of Directors, directors and officers liability insurance;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Area and other areas within or in the vicinity of the Properties to be maintained; and
- (h) perform the other duties of the Association set forth in the Declaration.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Offices. The officers of this Association shall be a President, Vice-President, Secretary, and a Treasurer who shall at all times be Members of the Board of Directors. A Board Member may hold up to two of these offices at one

time. For example but not limited to the following: a Board Member may concurrently hold the officer positions of President & Secretary, Secretary & Treasurer, Secretary & Community Liaison, Vice President & Secretary and President & Treasurer.

Section 2: Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time-to-time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to 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 the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Board Member appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer or President and Treasurer may be held by the same person. In the event that one board member must serve in the dual role of President and Treasurer, all checks must be signed by the President/ Treasurer and one other Board member.

Section 8. Duties. The Duties of the officers are as follows:

President

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall have authority to sign all leases, mortgages, deeds and other written instruments and shall ensure all taxes (e.g. Federal Income Taxes and Franchise Taxes) are timely and properly filed; shall ensure all other required legal filings are timely and properly filed; and shall perform such other duties as may be required by the Association.

Vice-President

- (b) The vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

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

Treasurer

- (d) The Treasurer shall receive and deposit in the appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; if requested by the Board, shall cause an annual financial review of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting; shall ensure all taxes (e.g. Federal Income Taxes and Franchise Taxes) are timely and properly filed; and shall perform such other duties as may be required by the Board.

ARTICLE IX COMMITTEES

The Association shall appoint a Nominating Committee as provided in these By-laws. The Board of Directors may appoint other committees, as the affairs of the Association may require. Each Committee Member shall hold the position for such period, have such authority, and perform such duties as specified by the Board and for the benefit of the Association.

ARTICLE X BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, the By-Laws, and any amendments thereto, of the Association shall be available for review by any Member at the principle office of the Association (or similar designated area), where copies may be purchased at a reasonable cost as outlined in the Document Production Policy filed with the Harris County Real Property records.

ARTICLE XI ASSESSMENTS

Section 1. Annual assessments shall be determined at the last Member Meeting of each calendar year and payable by February 28th of the following year.

Section 2. It shall be permissible to raise funds by any legal means. Annual assessment increases needed to offset inflation and provide needed additional services shall be determined by a majority vote of the Association membership.

Section 3. All funds shall be promptly deposited in a FDIC insured bank selected by the Treasurer and approved by the Board of Directors.

Section 4. Disbursements of funds for normal operation expenses may be made by the Treasurer if they do not exceed two hundred dollars (\$200.00) and authorization has been given by the President, or in his absence, the Vice President. If under two-hundred dollars (\$200.00), checks may be signed by the Treasurer, President, or Vice-President. If the amount of the check is over two hundred dollars (\$200.00) and up to one-thousand dollars (\$1,000.00), it must have prior approval of the Board of Directors. Disbursements over one-thousand dollars (\$1,000.00) must be approved at a General Membership Meeting. Expense reimbursement checks may not be signed by the reimbursee.

Section 5. Checks may be signed by the following: the President, the Vice-President, and the Treasurer.

Section 6. A listing of Association properties shall be originated documenting the payment of annual dues and the relevant dates of such payments.

ARTICLE XII AMENDMENTS

Section 1. These By-Laws may be amended at any time by the majority vote of the owners present at a Regular or Special Meeting of the Members where a quorum has been established.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII INDEMNIFICATION

Section 1. Suits against Association

SUBJECT TO THE PROVISIONS OF SECTION 3 OF THIS ARTICLE, THE ASSOCIATION SHALL INDEMNIFY ANY DIRECTOR OR OFFICER OR FORMER DIRECTOR OR OFFICER OF THE ASSOCIATION FOR EXPENSES AND COSTS (INCLUDING ATTORNEYS' FEES) ACTUALLY AND NECESSARILY INCURRED BY HIM OR HER IN CONNECTION WITH ANY CLAIM ASSERTED AGAINST HIM OR HER, BY ACTION OF A COURT OR

OTHERWISE, BY REASON OF HIS OR HER BEING OR HAVING BEEN DIRECTOR OR OFFICER EXCEPT IN RELATION TO MATTERS AS TO WHICH HE OR SHE SHALL HAVE BEEN GUILTY OF GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT.

Section 2. Suit by or on behalf of Association

SUBJECT TO THE PROVISIONS OF SECTION 3 OF THIS ARTICLE, THE ASSOCIATION SHALL INDEMNIFY ANY PERSON WHO WAS OR IS A PARTY OR IS THREATENED TO BE MADE A PARTY TO OR THREATENED, PENDING, OR CONTEMPLATED ACTION OR SUIT BY OR IN THE RIGHT OF THE ASSOCIATION TO PROCURE A JUDGMENT IN ITS FAVOR BY REASON OF THE FACT THAT HE IS OR WAS A DIRECTOR OR OFFICER IN THE ASSOCIATION AGAINST EXPENSES (INCLUDING ATTORNEYS' FEES) ACTUALLY AND REASONABLY INCURRED BY HIM IN CONNECTION WITH SUCH ACTION OR SUIT IF HE OR SHE ACTED IN GOOD FAITH AND IN A MANNER HE REASONABLY BELIEVED TO BE IN OR NOT OPPOSED TO BE THE INTEREST OF THE ASSOCIATION AND EXCEPT THAT NO INDEMNIFICATION SHALL BE MADE IN RESPECT OF ANY CLAIM, ISSUE OR MATTER AS TO EACH SUCH PERSON SHALL HAVE BEEN ADJUDGED TO BE LIABLE FOR GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT IN THE PERFORMANCE OF HIS OR HER DUTIES TO THE ASSOCIATION, UNLESS AND ONLY TO THE COURT IN WHICH SUCH ACTION OR SUIT WAS BROUGHT SHALL DETERMINE UPON APPLICATION THAT, DESPITE THE ADJUDICATION OF LIABILITY, BUT IN VIEW OF ALL OF THE CIRCUMSTANCES OF THE CASE, SUCH PERSON IS FAIRLY AND REASONABLY ENTITLED TO INDEMNITY FOR SUCH EXPENSES WITH WHICH THE APPROPRIATE COURT OF THE STATE OF TEXAS OR SUCH OTHER COURT SHALL DEEM PROPER.

Section 3. Approval of Indemnification

Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon the determination that indemnification of the director or officer is proper in the circumstances because he or she had met the applicable standards of conduct set forth in Section 1 and 2, above. Such determination shall be made by:

- (1) the Board of Directors by majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding,
- (2) if such a quorum is not obtainable, or even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel (who may be counsel to the Association) in a written opinion, or
- (3) by majority vote of the Members.

Section 4. Other Rights

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote or otherwise, both as to actions in his or her official capacity and as to actions in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executor and administrators of such persons.

Section 5. Insurance

The Association may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association against any liability asserted against said director and incurred by said director in any capacity, or arising out of the director status as such, whether or not the Association would have the power to indemnify the director against such liability on the provisions of this Article or the Texas Non-Profit Corporation Act.

ARTICLE XIV MISCELLANEOUS

The fiscal year of the Association shall be determined and established by the Board of Directors by appropriate resolution.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly appointed and acting Secretary of Spring Branch Oaks Civic Association, a Texas non-profit corporation; and
2. That the foregoing Bylaws, comprising 13 pages together with the affidavit page and this certificate, constitute the Bylaws of said corporation as duly adopted by two-thirds majority vote of the membership of Spring Branch Oaks Civic Association, Inc. where a quorum was present, and by action of the Board of Directors of the corporation, effective as the date written below.

IN WITNESS HEREOF, I have hereunder subscribed my name and affixed the seal of said corporation this _____, day of _____, 2012.

_____, Secretary of Spring Branch
Oaks Civic Association

Acknowledgement

STATE OF TEXAS

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**Amended and Restated Bylaws of
Spring Branch Oaks Civic Association**

COUNTY OF HARRIS

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Before me, the undersigned authority, on this day personally appeared _____,
Secretary of SPRING BRANCH OAKS CIVIC ASSOCIATION, a Texas corporation, known to
me to be the person and officer whose name is subscribed to the foregoing instrument and
acknowledged to me that he/she had executed the same as the act of said corporation for the
purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this _____ day of _____, 2012.

Notary Public, State of Texas

[Notarial Seal]

Printed Name

My commission expires: _____