

RESTATED BY-LAWS
OF
SPRING BRANCH ESTATES II CIVIC ASSOCIATION
(EFFECTIVE DATE: October 22, 1996)

ARTICLE I
NAME AND LOCATION

The name of the corporation is SPRING BRANCH ESTATES II CIVIC ASSOCIATION, hereinafter sometimes referred to as the "ASSOCIATION" or the "Corporation". The principal office of the Corporation shall be located at 8817 Carousel, Houston, Texas, or at such other address as may be designated by the Corporation's Board of Directors, but meetings of Members and Directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "ASSOCIATION" shall mean and refer to SPRING BRANCH ESTATES II CIVIC ASSOCIATION, a Texas non-profit corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to those certain properties described in the official plat(s) and in the Restrictions for Spring Branch Estates, Section Two, a subdivision in Harris County, Texas, per the map(s) or plat(s) thereof of record in the Office of the County Clerk of Harris County, Texas, as well as any additional properties which may hereafter be brought within the jurisdiction of the ASSOCIATION.

Section 3. "Lot" shall mean and refer to that portion of any of the plots of land shown upon any recorded subdivision map of the Properties on which there is or will be built a single family dwelling.

Section 4. "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 a part of the Properties subject to assessment by the ASSOCIATION, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having an interest in the mineral estate.

Section 5. "Covenants" shall mean and refer to the Restrictions for Spring Branch Estates, Section Two, per the Map(s) or Plat(s) thereof and any additions, amendments and/or supplements thereto, as well as the Covenants for any additional Sections which may hereafter be brought within (annexed into) the jurisdiction of the ASSOCIATION.

Section 7. "Members" shall mean and refer to those persons entitled to membership as provided in the Covenants and these By-Laws. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the ASSOCIATION, including contract sellers, shall be a Member of the ASSOCIATION. The foregoing is not intended to include persons or entities who hold an interest merely as security for

the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the ASSOCIATION. Each Owner shall, upon and by virtue of becoming an Owner, automatically become a Member of the ASSOCIATION and shall remain a Member thereof until his ownership ceases for any reason, at which time his membership in the ASSOCIATION shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for the transfer of membership in the ASSOCIATION. Membership in the ASSOCIATION is expressly limited to the Owners of Lots, such ownership being the sole qualification for membership.

Section 8. "Suspended Members" shall mean and refer to those persons who are Members of the ASSOCIATION whose membership has been suspended as set forth hereinafter. During any period in which a Member shall be in default in the payment of any annual assessment levied by the ASSOCIATION.

ARTICLE III MEETINGS OF MEMBERS

Section 1. Annual Meetings. The Annual Meeting of the membership, for purposes of electing Directors, receiving all committee and financial reports and transacting such other business as may properly come before the Board, shall be held some time during the month of January at a time and place (within five (5) miles of the subdivision) as designated by the Board. The Board of Directors may change the Annual Meeting date at its discretion as deemed necessary, but such alternate date shall be within thirty (30) days of the original meeting date. If the day of the Annual Meeting is a legal holiday, the Board of Directors will designate an alternate date for the Annual Meeting, such alternate date being within thirty (30) days of the original meeting date. Additional regular meetings of the membership may be scheduled by the Board of Directors at its discretion, if such meetings are deemed necessary.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President, by at least three (3) members of the Board of Directors, or upon written request of the Members who are entitled to vote at least twenty percent (20%) of the membership. Notice of the Special Meeting shall conform to Section 3 hereinafter and shall state the time, place and purpose of the meeting. The business transacted at such Special Meeting shall be restricted to the purpose for which it was called.

Section 3. Notice of Meetings. Except as otherwise provided in the Articles of Incorporation, the Covenants, or these By-Laws, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days (but no more than sixty (60) days) before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the ASSOCIATION, or supplied by such Member to the ASSOCIATION

for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a Special Meeting, the purpose of the meeting.

Section 4. Quorum. The presence, either in person or by proxy, at the meeting of the Members entitled to cast at least twenty percent (20%) of the votes as provided herein shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Covenants, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Vote. One (1) Vote Per Lot/Proxy Voting. When more than one person owns an interest in any Lot, all such persons shall be Members. The Vote of such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) Vote or ballot be cast with respect to a Lot. A Member may Vote at any meeting of the membership either in person or by proxy executed in writing by the Member, or by a duly authorized attorney-in-fact. Proxies shall be filed with the Secretary of the ASSOCIATION before or at the time of the meeting and shall automatically cease upon conveyance by the Member of their Lot. Every proxy shall be revocable and shall specify the meeting or action to which it applies. General proxies shall not be permitted.

Section 6. Cumulative voting shall not be allowed.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of the ASSOCIATION shall be managed by a Board of five (5) Directors, all of whom must be members in good standing of the ASSOCIATION and none of whom reside with any other current Member of the Board of Directors. Each Director elected shall serve until a successor shall have been duly elected and qualified. The person receiving the largest number of votes for that position shall be elected.

Section 2. Staggered Terms of Office. Each Director shall be elected for a term of two (2) years. Two (2) Board positions will be filled in even years and one (1) Board position will be filled in odd years. The Members shall elect the Directors for a term of two (2) years to fill each expiring term.

Section 3. Nomination of Directors. Prior to the Annual Meeting of the membership, the Board of Directors shall appoint a Nominating Committee composed of three (3) Members, two (2) of whom may not be on the Board of Directors. The chairperson of the Nominating Committee must be a Member of the Board of Directors. Any Member desiring nomination may file their name in nomination with the chairperson of the Nominating Committee or with the Secretary before the Annual Meeting. The Nominating Committee shall present at the Annual Meeting at least one nomination for each Director position to be filled as provided for in Section 2 of Article IV hereof, presenting as part of its report nominations by those desiring nomination and filing as above

provided. A Member of the Nominating Committee may not be nominated by that committee. Nominations may also be made from among Members of the ASSOCIATION. Nominations shall be taken from the floor at the Annual Meeting prior to conducting the Vote; provided, however, that any person nominating another shall certify to the willingness of the nominee to serve, if the latter is not in attendance.

Section 4. Election. The election shall be held by secret written ballot at the Annual Meeting of the membership. The election results shall be announced, including the number of ballots cast for each candidate, segregated between the ballots cast by those present in person and those present by proxy, at the Annual Meeting. The candidate receiving the largest number of votes cast for that Board position is elected.

Section 5. Removal. Any Director may be removed from the Board, with or without cause, by a two-thirds (2/3) vote of a quorum of the Members of the ASSOCIATION present, in person or by proxy, at a special meeting called for that purpose.

Section 6. Vacancies. In the event of death, resignation or removal of a Director, the successor shall be appointed by an affirmative vote of a majority of the remaining Directors, even though such majority may constitute less than a quorum of the Board of Directors, and shall serve for the unexpired term of the predecessor should such term expire at the next Annual Meeting of the membership. Should such term not expire at the next Annual Meeting, the designated successor shall serve until the next annual election, at which time the position shall come before the Members for a confirmation vote on the balance of the term of that position.

Section 7. Compensation. No Director shall receive compensation for any services rendered to the ASSOCIATION; provided, however, that any Director may be reimbursed for any documented expenses incurred in the performance of his duties.

Section 8. Resignation. Any Director may resign at any time. Such resignation should be made in writing and shall take effect at the time specified therein or, if no time is specified, at the time of its receipt by the Board. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE V MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least two (2) times per annum without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting date fall upon a legal holiday, the meeting will be re-scheduled for another date and time as determined by a majority of the Board of Directors.

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 (2) Directors after 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 a quorum of the Directors present at a duly held meeting shall be regarded as the act of the Board.

Section 4. Action Without a Meeting (Unanimous Consent). Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the members of the Board of Directors. Such consent shall be placed in the minute book of the ASSOCIATION with the minutes of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5. Attendance. Any Director who has failed to attend three (3) consecutive meetings may be removed from the Board of Directors by unanimous vote of the remaining Directors of the ASSOCIATION.

Section 6. Proxy. No Director may vote by proxy.

ARTICLE VI POWERS OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the following rights and powers:

- (a) to suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the ASSOCIATION.
- (b) to exercise for the ASSOCIATION all powers, duties and authority vested in or designated to this ASSOCIATION and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Covenants; and
- (c) to exercise such other rights and powers granted under the Covenants, the Articles of Incorporation or these By-Laws.

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

- (a) cause to be kept a complete record (i.e., minutes) of all its acts and corporate affairs and to present a financial statement to the Members at the Annual Meeting of the Members, or at any Special Meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- (b) supervise all officers and/or other representatives designated by the Board of Directors of this ASSOCIATION and to see that their duties are properly performed;

(c) as more fully provided in the Covenants, to send at least thirty (30) days written notice of each assessment to every Owner subject thereto in advance of each annual assessment period;

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a statement setting forth whether or not that person's assessment has been paid. A reasonable charge may be made by the Board of Directors for issuance of these statements. If such statement indicates that an assessment has been paid, such statement shall be conclusive evidence of such payment;

(g) Cause the Common Area(s), if any, to be maintained.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this ASSOCIATION shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors held after the annual membership meeting each year.

Section 3. Term. The officers of this ASSOCIATION shall be elected annually by the Board and each shall hold office for one (1) year unless said officer shall sooner resign, or shall be removed, or is otherwise 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 a majority vote of the Board. Any officer may resign at any time by giving written notice to the 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 6. Vacancies. A Vacancy in any office may be filled by appointment by a majority vote of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

Section 7. Multiple Offices. No person shall simultaneously hold both the offices of president and secretary. 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 4, of this Article.

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

President

- a. The president shall preside over all meetings of the Board of Directors and Membership, deciding all questions of procedure and order.
- b. The president shall sign all approved written instruments of the ASSOCIATION.
- c. The president shall formulate goals and plans for the year and present them to the Board of Directors or the membership, as appropriate, for approval.
- d. The president shall execute all orders, resolutions and motions of the Board of Directors and/or the membership.
- e. The president shall serve as Ex-Officio member of all committees.

Vice-President

The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

Secretary

- a. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members and submit all minutes at subsequent meetings for approval.
- b. The secretary shall serve or cause to be served notice of meetings of the Board of Directors and of the membership.
- c. The secretary shall keep or cause to be kept appropriate current records showing the members of the ASSOCIATION together with their addresses.
- d. The secretary shall perform such other duties as required by the Board of Directors.

Treasurer

- a. The treasurer shall be responsible for maintaining the records of financial accounts of the ASSOCIATION.
- b. The treasurer shall be responsible for depositing receipts into a Federally insured account and disbursing expenses of the ASSOCIATION as directed by the Board of Directors.

c. The treasurer shall be responsible for maintaining a record of physical assets of the ASSOCIATION that are currently in use and shall notify the Secretary of any change in status.

d. The treasurer shall be responsible for maintaining a depository for physical assets when not in use.

e. The treasurer shall be responsible for preparation of legal returns required by taxing authorities.

f. The treasurer shall be responsible for preparing the budget for approval by the Board of Directors, including tentative drafts to be presented to the Board of Directors.

g. The treasurer shall be responsible for preparation of an annual budget and a statement of income and expenditures to be presented to the membership at its regular Annual Meeting, and shall make same available to each Member of the ASSOCIATION.

ARTICLE VIII COMMITTEES

Section 1. Committee Appointments. At its discretion, the Board of Directors may appoint committees, as provided in the Declaration and these By-Laws, as deemed appropriate for carrying out its purposes. These committees may include, but are not limited to:

- a) Nominating Committee - as provided in these By-Laws.
- b) Recreation Committee - to advise the Board of Directors on all matters pertaining to the recreational program and activities of the ASSOCIATION and to perform such functions as the Board in its discretion determines.
- c) Maintenance Committee - to advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and to perform such other functions as the Board in its discretion determines.
- d) Publicity Committee - to inform the members of all activities and functions of the ASSOCIATION and, after consulting with the Board of Directors, to make such public releases and announcements as are in the best interest of the ASSOCIATION.

Section 2. Function of Committees. It shall be a function of each committee to respond to inquiries from Members on any matter involving ASSOCIATION duties and activities within its field of responsibility. The committee shall handle such inquiries or refer them to the appropriate committee, Director or officer of the ASSOCIATION.

Section 3. Tenure. Any committee shall serve until its purpose has been accomplished or until dissolved by the Board, whichever occurs first.

ARTICLE IX INDEMNIFICATION OF DIRECTORS AND OFFICERS

Pursuant to Section 2.22A of the Texas Non-Profit Corporation Act, and subject to the provisions thereof, the Corporation may indemnify any Director or officer (or former ones) for expenses and costs, including attorney's fees, which are actually and necessarily incurred in connection with any claim asserted by reason of being or having been a Director or officer only if it is determined that the person's actions were conducted in good faith and were reasonably believed to be in the Corporation's best interest relative to conduct in any official capacity and that, in all other cases, the conduct was at least not opposed to the Corporation's best interest. In regard to criminal proceedings, the Corporation must find that there was no reasonable cause to believe the conduct was unlawful. The intent of this By-Law provision is to allow the Corporation, by majority vote of its Board of Directors, to indemnify its Directors and officers to the maximum extent allowed by law without the necessity of a vote of the membership.

Further, the Board of Directors may purchase and maintain insurance against any liability whether or not the Corporation has the power to indemnify against that liability, to the extent that the majority of the Board feels that such insurance is reasonable and necessary.

ARTICLE X BOOKS AND RECORDS

Upon reasonable written notice stating the specific purpose of the demand to the Secretary of the ASSOCIATION, and subject to the demand being deemed proper pursuant to Section 2.13 of the Texas Non-Profit Corporation Act, the specific books, records and papers of the ASSOCIATION (as outlined in the written demand) shall, during reasonable business hours, be subject to inspection and copying (at a reasonable cost to the Member) by any Member or Member's agent, accountant, or attorney. In this regard, the Board of Directors shall provide for review and copying the Corporation's books, records and papers, within the scope of the request, reasonably calculated to satisfy the purpose of the request; provided, however, that the Board may exercise its discretion whether to release information of a confidential or privileged nature (pertaining to the details of another Member's assessment payment history or deed restriction compliance history, or as provided in the Texas Rules of Evidence, as the case may be) which information is not, in the opinion of the majority of the Board, necessary to satisfy the purpose of the request. The Covenants, the Articles of Incorporation and the By-Laws of the ASSOCIATION shall be available for inspection by any member at a convenient location to be designated by the Board of Directors, where copies thereof may be purchased by any Member at a reasonable cost to the Member.

**ARTICLE XI
CHECKS AND DISBURSEMENTS**

Each check issued upon the account of the ASSOCIATION must have at least two (2) authorized signatures, one of which must be a Director of the ASSOCIATION. No check shall ever be pre-signed in blank by any agent, Officer, or Director authorized to sign checks. The Board of Directors is authorized, by resolution, to designate the authorized signatures for withdrawal of funds. No funds belonging to the ASSOCIATION may ever be disbursed without the specific approval of a duly authorized Director.

**ARTICLE XII
ASSESSMENTS**

As more fully described in the Covenants, each Member is obligated to pay to the ASSOCIATION annual assessments. Any assessments not paid within thirty (30) days of the due date shall be delinquent.

**ARTICLE XIII
AMENDMENTS**

Section 1. Amendment. These By-Laws may be amended by the affirmative vote of a majority of a quorum of the Members present, in person or by proxy, at a Special Meeting called for that purpose.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the case of any conflict between the Covenants and these By-Laws, the Covenants shall control.

**ARTICLE XIV
GENDER AND GRAMMAR**

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

**ARTICLE XV
MISCELLANEOUS**

The fiscal year of the ASSOCIATION shall begin on the 1st day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being all the directors of the SPRING BRANCH
ESTATES II CIVIC ASSOCIATION, have hereunto set our hands this 22 day of
December, 1999.

Carol Bush
CAROL BUSH, President and Director

Rosalee L. Mitchell
ROSALEE MITCHELL, Vice-President and Director

Sondra Heugattes
SONDRA HEUGATTES, Secretary and Director

Wayne L. Hartman
WAYNE L. HARTMAN, Treasurer and Director

July Arnette
JULY ARNETTE, Director

Donna M. Foster



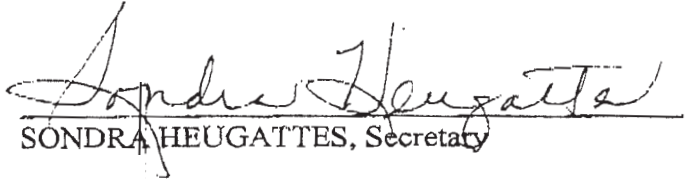
CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the SPRING BRANCH ESTATES II CIVIC ASSOCIATION, a Texas Non-Profit Corporation (the "ASSOCIATION"), and,

THAT the foregoing By-Laws constitute the By-Laws of said ASSOCIATION, as fully adopted at a duly called meeting of the membership, held on the 22nd day of October, 1996.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 22 day of December, 1999.


SONDRA HEUGATTES, Secretary



