

**AMENDED AND RESTATED BYLAWS
OF
GARDEN OAKS HOMEOWNERS ASSOCIATION, INC.
(F/K/A GARDEN OAK MAINTENANCE ASSOCIATION, INC.)**

**ARTICLE 1
OFFICES**

1.01 Name. The name of the Association is the Garden Oaks Homeowners Association, Inc. ("Association") which was formerly known as the Garden Oaks Maintenance Association, Inc. pursuant to the Articles of Amendment.

1.02 Principal Office. The principal office of the Association is located in Harris County, Texas. The Association may have other offices, either within or without the State of Texas, as the Board of Directors (collectively, the "Board" and individually, "Director") may determine or as the affairs of the Association may require from time to time.

1.03 Registered Office and Registered Agent. The Association will have and continuously maintain in the State of Texas a registered office and a registered agent whose address is identical with the registered office, as required by the Texas Business Organizations Code. The registered office may, but need not, be identical with the principal office of the Association in the State of Texas. The address of the registered office may be changed from time to time by the Board of Directors.

1.04 Definitions. The capitalized terms used in these Bylaws have the same meaning as set forth in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Garden Oaks, Section One, recorded in the Official Public Records of Harris County, Texas, under Clerk's File No. _____, Amended and Restated Declaration of Covenants, Conditions and Restrictions for Garden Oaks, Section Two, recorded in the Official Public Records of Harris County, Texas, under Clerk's File No. _____, Amended and Restated Declaration of Covenants, Conditions and Restrictions for Garden Oaks, Section Three, recorded in the Official Public Records of Harris County, Texas, under Clerk's File No. _____, Amended and Restated Declaration of Covenants, Conditions and Restrictions for Garden Oaks, Section Five, recorded in the Official Public Records of Harris County, Texas, under Clerk's File No. _____, (collectively referred to herein as the "Amended and Restated Declaration, as amended, renewed, or extended from time to time), unless otherwise specified herein.

1.05 Property. The property affected by these Bylaws is the property described on the first recorded plat for Garden Oaks, recorded under the following for each section: Volume 14, Page 5 for Section One, Volume 15, Page 46 for Section Two, Volume 15, Page 71 for Section Three, and Volume 19, Page 19 for Section Five, in the Map Records of Harris County, Texas, and any other property which is subsequently annexed and made subject to the authority of the Association ("Subdivision").

ARTICLE 2

MEMBERS

2.01 Membership. There will be one class of Members. All record owners (an "Owner" or "Owners") of any separately-owned Lot (a "Lot", as defined below) within Garden Oaks Sections 1, 2, 3, and 5 (collectively, the "Subdivision" and individually, the "Section") in Harris County, Texas, shall become members ("Members") of the Association.

2.02 Voting Rights and Procedures. Each Lot in Garden Oaks Sections 1, 2, 3, and 5 will have one (1) vote in the Association on matters requiring a vote of the Members, regardless of the number of Owners of the Lot.

Each Lot is entitled to one (1) vote, regardless of the number of Owners of a Lot. Multiple Owners of any single Lot must vote in agreement (under any method they devise among themselves) but, in no case will such multiple Owners cast portions of votes. The vote attributable to any single Lot must be voted in the same manner (i.e. all Owners of the Lot for, or all Owners of the Lot against a particular issue) but, in no event can there be more than one vote cast per Lot.

A Lot is entitled to two (2) votes only if all of the following conditions are satisfied: (i) applicable City of Houston subdivision ordinances would permit subdivision of the Lot by replatting, (ii) each resulting Lot would satisfy the frontage requirements imposed herein, (iii) no Structure that is located on one resulting Lot would encroach onto the adjacent Lot or violate setback lines after subdivision (e.g., a building may not be located on the original Lot such that the lot line created by the subdivision would, with respect to existing Structures, result in an encroachment or violation of setback lines), and (iv) each resulting Lot may be conveyed to a separate Owner as a fee simple tract of land.

No Owner will have a right to vote unless (i) the Owner is shown on the membership rolls of the Association, or (ii) the recorded deed evidencing ownership of the Lot has been delivered to the Association.

Votes may be cast by written proxy if the original proxy is delivered to the Board at or before the time of voting. Proxies may not be effective for a period exceeding eleven months. Owners may be represented at a meeting for voting purposes by an attorney-in-fact pursuant to a power of attorney satisfying the requirements of Texas law if the following are delivered to the Board at or before the time of voting: a copy of the power of attorney; a written statement by the attorney-in-fact that the power of attorney is valid, continuing, and has not been revoked; and the current address, phone number, and contact person, if an entity, in order to contact the Owner.

2.03 Transfer of Membership. Membership in the Association is automatically transferred with ownership of a Lot.

2.04 Address of Members. Members shall be deemed to have received notices sent to the street address of the Lot owned by a Member (or any one Lot if more than one Lot is owned), unless another address has been provided in writing to the Association by delivery to its principal office or to the then-Secretary by certified mail, return receipt requested.

ARTICLE 3
MEETINGS OF MEMBERS

3.01 Annual Meeting of Members. Annual meeting of the Members will be held each year at a time, place, and date designated by the Board, for the purpose of electing Directors and for the transaction of other business as may come before the meeting.

Within ninety (90) days of the confirmation of the bankruptcy plan (or the effective date of the Amended and Restated Declaration), the Interim Board shall hold an annual meeting for the purposes of electing a new Board.

3.02 Special Meetings of Members. Special meetings of the Members may be called by the President, the Board, or Members representing not less than one-tenth (1/10) of the Lots then entitled to vote on the issue for which the special meeting is called. Whenever a special meeting is called by the Members, the Members may be required by the Board to deposit with the Association the amount necessary to pay the expenses of the Association in calling and holding the special meeting.

3.03 Place of Meeting of Members. Any place in Harris County, Texas, may be designated as the place for any annual meeting or special meeting of the Members.

3.04 Notice of Meetings of Members. Written or printed notice stating the place, day, and hour of each annual and special meeting of Members will be delivered, either personally by delivery to the Lot (whether or not the Member resides on the Lot or is at home at the time of delivery) or by mail, to each Member entitled to vote at the meeting, not less than ten (10) , nor more than sixty (60), days before the date of the meeting, by or at the direction of the President, the Secretary, the Directors, or the Members calling the meeting. Written notice under this section may be sent by electronic mail to any Member who has registered his/her email address with the Association and opted to receive notice in this manner. Additional notice of any meeting and notice of informational meetings may be given by any means determined by the President, the Secretary, or the Directors to be reasonable and appropriate, such as by publication in the Garden Oaks Gazette or by signs posted in the neighborhood. In case of a special meeting or when required by statute or these Bylaws, the notice must state the purpose or purposes for which the meeting is called. If mailed, the notice will be deemed to be delivered when deposited in the United States Mail, addressed to the Member at the address that appears in the records of the Association, with postage prepaid.

3.05 Quorum. Except as otherwise provided in these Bylaws or in the Amended and Restated Declaration, the presence, in person or by proxy, absentee ballot, or electronic ballot, of Members representing fifty (50) of the total votes allocated to Owners in the Subdivision will constitute a quorum for the conduct of business at a meeting. If a quorum is not present at any meeting of Members, Members representing a majority of the Lots present at the meeting may adjourn and reconvene the meeting at a later time or date.

3.06 Manner of Acting. The act of Members representing a majority of the Lots attending in person or by proxy, absentee ballot, or electronic ballot, and entitled to vote at a meeting at which a quorum is present will be the act of the Members, unless the act of a greater number is required by law or another provision of these Bylaws.

3.07 Proxies. At any meeting of Members, the Member(s) representing a Lot entitled to vote may vote by proxy executed in writing by the Member or by his or her duly-authorized attorney-in-fact. No proxy will be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

3.08 Voting by Written Ballot. When Directors or officers are to be elected, the election may be conducted by written ballot in the manner determined by the Board.

3.09 Robert's Rules of Order. If questions of procedure or Association are not specifically addressed by these Bylaws, the then-current edition of Robert's Rules of Order, or its successor publication, if any, will control.

ARTICLE 4 BOARD OF DIRECTORS

4.01 General Powers. The affairs of the Association will be managed by the Board of Directors. Currently, the Association consists of the same Directors from the Garden Oaks Maintenance Organization, Inc. (the "Interim Board"). At the first annual meeting for the Association, twelve (12) Directors will be elected for the Association.

4.02 Election of Directors. At the first annual meeting of the Association to be held within ninety (90) days of the confirmation of the bankruptcy plan (or the effective date of the Amended and Restated Declaration, twelve (12) Directors will be elected in order to replace the Interim Board. For the first annual meeting of the Association, the Association must solicit candidates as provided in Section 4.03. Four (4) Directors will serve a term of one (1) year, four (4) Directors will serve a term of two (2) years, and four (4) Directors will serve a term of three (3) years until a successor is elected. Unless otherwise established by the Board, the twelve (12) candidates receiving the highest numbers of votes will be the new Board, with the four candidates receiving the highest numbers of votes serving the three-year terms, the four candidates receiving the next highest numbers of votes serving the two-year terms, and the four candidates receiving the next highest numbers of votes serving the one-year term. In an election where two (2) or more candidates receive the same number of votes resulting in a tie, the winner of the election will be chosen by lot (i.e., the names of the candidates who are running for a director position and have received the same number of votes will be written on separate pieces of paper by the presiding officer of the meeting, the pieces of paper will be folded by the presiding officer and placed in a container provided by the then-serving Board; the presiding officer will ask for a volunteer Member from the audience of Owners to pick any one piece of paper from the container and the person whose name is picked will be declared the winner of such election). At the expiration of the terms of the initial twelve (12) Directors to be elected at the first annual meeting of the Association, Directors will each thereafter be elected to serve a term for three (3) years. Each director will continue to hold office until the meeting at which his/her successor is elected.

4.03 Number, Tenure, and Qualifications. The Association will have twelve (12) Directors. All Directors must be Members and at least eleven (11) Directors must reside in the Subdivision. After the first annual meeting at which the initial Directors are elected, Directors will each be elected for three-year terms.

At least ten (10) days before the Association disseminates absentee ballots or other ballots to the Members for purposes of voting in a Board member election, the Association must provide notice to the Members soliciting candidates interested in running for a position on the Board. The notice must contain instructions for an eligible candidate to notify the Board of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline may not be earlier than the 10th day after the date the Board provides the notice. The absentee ballot or other ballot must include the name of each eligible candidate from whom the Board received a request to be placed on the ballot.

The notice required by this provision must be:

1. mailed to each Member; *or*
2. provided by:
 - (a) posting the notice in a conspicuous manner reasonably designed to provide notice to the Members:
 - (i) on public or privately-owned property within the Subdivision in a conspicuous manner, with the Owner's consent; or
 - (ii) on any Internet website maintained by the Association or other Internet media; *and*
 - (b) sending by e-mail to each Member who has registered an e-mail address with the Association.

4.04 Annual Board Meetings. An annual meeting of the Board will be held immediately after, and at the same place as, the annual meeting of Members.

4.05 Special Board Meetings. Special meetings of the Board may be called by or at the request of the President or any two Directors.

4.06 Regular Board Meetings. Regular meetings of the Board will be held not less than nine (9) times each calendar year, at the time and place designated by the Board from time to time.

4.07 Board Meetings. A Board meeting means a deliberation between a quorum of the voting Directors or between a quorum of the voting Directors and another person, during which Association business is considered and the Board takes formal action. A Board meeting does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance by a quorum of the Board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

Regular and special Board meetings must be open to the Members, subject to the right of the Board to adjourn a Board meeting and reconvene in closed executive session.

Regarding all Board meetings that are open to the Members, Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the President may limit the time any Member may speak.

An open meeting may be held by electronic or telephonic means provided that (i) each Director may hear and be heard by every other Director, (ii) all Members in attendance at the meeting may hear all Directors (except if adjourned to executive session), and (iii) all Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a Director to participate.

Action Outside of a Meeting, Generally:

1. The Board may take action outside of a meeting, including voting by electronic and telephonic means, without prior notice to Members if each Director is given a reasonable opportunity to express the Director's opinion to all other Directors and to vote. Any action taken without notice to the Members must be summarized orally, including estimation of expenditures approved at the meeting, and documented in the minutes of the next regular/special Board meeting.

Action Outside of a Meeting Prohibited:

2. Notwithstanding subsection 1, above, the Board may not consider or vote on any of the following issues except in an open meeting for which prior notice was given to Members:
 - a. Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
 - b. Increases in Assessments;
 - c. Appeals from a denial of architectural approval;
 - d. A suspension of a right of a particular Member before the Member has an opportunity to attend a Board meeting to present the Member's position, including any defense, on the issue;
 - e. Lending or borrowing money;
 - f. The adoption or amendment of a Dedicatory Instrument;
 - g. The approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%);
 - h. The sale or purchase of real property;
 - i. The filling of a vacancy on the Board;
 - j. The construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
 - k. The election of an officer.

4.08 Community Meetings. One or more of the Directors, as determined by the Board, may also be designated to:

- a. attend the meetings of the Garden Oaks Civic Club, Inc.; and
- b. call and preside over informational meetings for the purpose of communications among and between the Members and the Directors, with notice for these meetings to be provided by any means determined by the President, the Secretary, or the

Directors to be reasonable and appropriate, such as by publication in the Garden Oaks Gazette or by signs posted in the neighborhood.

4.09 Notice to the Members and Directors of the date, hour, place and general subject of regular or special open Board meetings, including instructions for Members to access any communication method utilized for the Board meeting, as well as a general description of any matter to be brought up for deliberation in executive session, will be:

1. mailed to each Member and Director 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 in a conspicuous manner reasonably designed to provide notice to the Members and Directors:
 - i. in a place located on any public or Member's property with their consent, or other property within the subdivision; *or*
 - ii. on any internet website maintained by the Association or other internet media; *and*
 - b. sending notice by e-mail to each Member and Director who has registered an email address with the Association.

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

If the Board recesses to continue the meeting the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this provision. If the meeting is continued to the next business day, and the Board again continues the meeting to another day, the Board will give notice of continuation in at least one of the manners described above, within two (2) hours after adjourning the meeting being continued

4.10 Quorum. At all meetings of the Board, a majority of the Directors will constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present will constitute the decision of the Board. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting subject to the notice requirements set forth herein. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.11 Vacancies. In the event of a vacancy, the Association will hold an election and send notice to the Members as required by Section 4.02 of any Board vacancy so that Members may stand for election to the position. The Director who is elected in this manner will serve for the remainder of the unexpired term. If no Member chooses to stand for election, the special election will be canceled, and the position will remain vacant until the election of Directors at the next annual meeting.

4.12 Removal. Any Director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the total votes of a quorum of Members. Any Director whose removal is sought will be given notice prior to any meeting called for that

purpose. Upon removal of a Director, a successor will then and there be elected by the Members entitled to elect the Director so removed to fill the vacancy for the remainder of the term of such Director. A Director is considered to have been immediately removed from the Board if the Director misses three (3) consecutive, regular Board meetings. In such case, a vote of at least eighty percent (80%) of the remaining Directors may vote to excuse one or more of the absences, allowing the Director to remain on the Board.

4.13 Resignation. A Director will be deemed to have resigned immediately if the Director no longer owns property in the Subdivision.

4.14 Conflict of Interest. The Association may enter into an enforceable contract with a current Director, a person related to a current Director within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, a company in which a current Director has a financial interest in at least 51 percent of profits, or a company in which a person related to a current Director within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a financial interest in at least 51 percent of profits only if the following conditions are satisfied:

(1) the Director, relative, or company bids on the proposed contract and the association has received at least two other bids for the contract from persons not associated with the board member, relative, or company, if reasonably available in the community;

(2) the Director:

(A) is not given access to the other bids;

(B) does not participate in any board discussion regarding the contract;
and

(C) does not vote on the award of the contract;

(3) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the Board and the Board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the Board members who do not have an interest governed by this subsection; and

(4) the Board certifies that the other requirements of this subsection have been satisfied by a resolution approved by an affirmative vote of the majority of the Directors who do not have an interest governed by this subsection.

4.15 Compensation. Directors will not receive any compensation for their services, but, by resolution of the Board, may be reimbursed for reasonable expenses.

4.16 Executive Session. The Board may close a portion of its meetings for the purpose of discussing actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Members, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Members, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

4.17 Powers. The Board will be responsible for the affairs of the Association and will have all of the powers necessary for the administration of the Association's affairs.

The Board may delegate to one (1) or more of its Directors the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, that might arise between meetings of the Board.

In addition to the authority created in these Bylaws, Texas law or by any resolution of the Board that may hereafter be adopted, the Board will have the power to establish policies relating to, and for performing or causing to be performed, the following, in way of explanation, but not limitation:

- (a) preparing and adopting of annual budgets;
- (b) making Assessments, establishing the means and methods of collecting such Assessments;
- (c) collecting the Assessments, depositing the proceeds thereof in a bank depository that it approves, and using the proceeds to operate the Association; provided, any reserve funds may be deposited, in the Directors' best business judgment, in depositories other than banks;
- (d) providing for the operation, care, upkeep and maintenance of the Subdivision, including entering into a contract to provide for such operation, care, upkeep and maintenance;
- (e) making or contracting for the making of repairs, additions, and improvements to or alterations of the Subdivision in accordance with the other provisions of the Amended and Restated Declaration and these Bylaws after damage or destruction by fire or other casualty;
- (f) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of the Subdivision and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (g) making and amending rules and regulations and promulgating, implementing and collecting fees related to enforcement of the rules and regulations, the Amended and Restated Declaration, and all Dedicatory Instruments (as that term is defined in the Texas Property Code) for the Subdivision;
- (h) opening of bank accounts on behalf of the Association and designating the signatories required;
- (i) enforcing by legal means the provisions of the Dedicatory Instruments and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities with policy limits, coverage and deductibles as deemed reasonable by the Board and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) maintaining a membership register reflecting, in alphabetical order, the names, property addresses and mailing addresses of all Members;

(n) making available upon request to any prospective purchaser, any Owner, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any property, for any proper purpose during normal business hours by advance appointment, copies of the Amended and Restated Declaration, the Certificate of Formation, the Bylaws, rules governing such property and all other books, records, and financial statements of the Association for a reasonable charge; and making copies thereof available for a reasonable charge;

(o) permitting utility suppliers to use portions of the Subdivision reasonably necessary to the ongoing development or operation of the Subdivision;

(p) compromise, participate in mediation, submit to arbitration, release with or without consideration, extend time for payment, and otherwise adjust any claims in favor of or against the Association;

(q) commence or defend any litigation in the Association's name with respect to the Association or any Association property; and

(r) regulate the use, maintenance, repair, replacement, modification, and appearance of the Subdivision.

4.18 Management. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. No controlling owner, representative, officer, director, or partner of the management agent or agent shall be a property owner in the Subdivision.

4.19 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Accrual or cash accounting, as defined by generally accepted accounting principles, will be employed.

(b) Accounting and controls should conform to generally accepted accounting principles.

(c) Cash accounts of the Association will not be commingled with any other accounts.

(d) No remuneration without full disclosure and prior agreement of the Board, or as contained in a written management contract, will be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise.

(e) Any financial or other interest that any Director, or the managing agent may have in any firm providing goods or services to the Association will be disclosed promptly to the Board.

(f) An annual report consisting of at least the following will be prepared as soon as practicable after the close of the fiscal year and made available to all Members at the next annual meeting of Members: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above may be prepared on an audited or reviewed basis, as determined by the Board, by an independent, certified public accountant.

4.20 Borrowing. The Board has the power to borrow money for any proper purpose with the approval of a majority (50% plus one) of the Members of the Association at a meeting at which quorum is present in person, or by proxy, absentee ballot, or electronic ballot. The Board,

on behalf of the Association, may pledge the Association's Assessments and assign the Association's assets as collateral for any loan obtained by the Board on behalf of the Association.

ARTICLE 5 OFFICERS

5.01 Officers. The officers of the Association will be the President, one Vice President, a Secretary, and a Treasurer, each of whom must be a Director. The Board may create other offices and elect or appoint other officers as it deems desirable (who may or may not be required to be Directors), these officers to have the authority and perform the duties prescribed from time to time by the Board. One person may hold more than one office, except for the offices of President, Secretary, and Treasurer.

5.02 Election and Term of Office. The officers of the Association will be elected annually by the Board at the Board's annual meeting. If the election of officers is not held at the Board's annual meeting, the election will be held as soon thereafter as practicable. Each officer will hold office until his or her successor has been duly elected and qualified.

5.03 Removal. Any officer elected or appointed by the Board may be removed by a 75% affirmative vote of the remaining Directors if the Board determines that the officer has not acted in the best interests of the Association.

5.04 Vacancies. A vacancy in any office may be filled by the Board for the unexpired portion of the term of the officer.

5.05 President. The President will be the principal executive officer of the Association and will in general supervise and control all of the business and affairs of the Association. The President will preside at all meetings of the Members and of the Board. The President may sign, with the Secretary or any other officer of the Association authorized by the Board, all deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed, except in cases where the signing and execution has been expressly delegated by the Board, another provision of these Bylaws, or statute to some other officer or agent of the Association. In general, the President will perform all duties incident to the office of President and other duties be prescribed by the Board from time to time.

5.06 Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice President will perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions on the President. The Vice President will perform other duties as from time to time may be assigned to the office of Vice President by the President or the Board.

5.07 Treasurer. The Treasurer will have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit these funds in the name of the Association in the banks, trust companies, or other depositories selected in accordance with Article 7 of these Bylaws; and in general perform all the duties incident to the office of Treasurer and other duties as from time to time may be assigned to the office by the President or the Board.

If required by the Board, the Treasurer will give a bond for the faithful discharge of his or her duties in the amount and with a surety or sureties as the Board requires.

5.08 Secretary. The Secretary will keep the minutes of the meetings of the Members and the Board in one or more books provided for that purpose; give all notices in accordance with provisions of these Bylaws or as required by law; be custodian of the corporate records and the seal of the Association (if one is adopted) and affix the seal of the Association to all documents that must be delivered under seal; keep a register of the mailing address of each Member as furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of Secretary and other duties as from time to time may be assigned to the office of Secretary by the President or by the Board.

5.09 Compensation. Officers will not receive any compensation for their services, but, by resolution of the Board, may be reimbursed for reasonable expenses.

ARTICLE 6 COMMITTEES

6.01 Committees of Directors. The Board may, by resolution adopted by a majority of the Directors in office, designate and appoint one or more committees and their members, which committees, to the extent provided in each resolution, will have and exercise the authority of the Board in the management of the Association. The Board may not, however, delegate to any committee the Board's authority to amend, alter, or repeal the Bylaws; elect, appoint, or remove any member of any committee or any Director or officer of the Association; amend the Articles of Incorporation; adopt a plan of merger or consolidation with another corporation; authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorize the voluntary dissolution of the Association or revoke proceedings for dissolution; adopt a plan for the distribution of the assets of the Association; or amend, alter, or repeal any resolution of the Board that by its terms provides that it may not be amended, altered, or repealed by the committee. The designation and appointment of, and the delegation of authority to, a committee will not operate to relieve the Board, or any individual Director, of any responsibility imposed on it by law.

6.02 Architectural Review Committee. The Board has the authority to act as the Architectural Review Committee, in accordance with the Amended and Restated Declaration, with the power to approve or deny applications for proposed original construction or modification of a building, Dwelling, Structure, or improvement within the Subdivision as being in compliance with the Amended and Restated Declaration. The Board may, by resolution adopted by a majority of the Directors in office, designate and appoint a subcommittee that will have the authority of the Board with regard to architectural review, composed of not less than three Directors and other Committee Members (as defined in Section 6.03) who need not be Directors.

6.03 Other Committees. Other committees not having and exercising the authority of the Board in the management of the Association may be designated by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in the resolution, the President will appoint committee members from the Members ("Committee Member(s)"). A Committee Member may be removed by the person or persons

authorized to appoint the Committee Member whenever, in their judgment, the best interests of the Association will be served by removal.

6.04 Term of Office. Each Committee Member will continue to serve until the next annual meeting of the Board and until his or her successor is appointed; the committee is dissolved; the Committee Member is removed or resigns from the committee; or the Committee Member ceases to qualify as a Committee Member.

6.05 Chair. One Committee Member of each committee will be appointed chair by the person or persons authorized to appoint the Committee Members.

6.06 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as the original appointments.

6.07 Quorum. Unless otherwise provided in the Board resolution designating and appointing a committee, a majority of the whole committee will constitute a quorum, and the act of a majority of the Committee Members present at a meeting at which a quorum is present will be the act of the committee.

6.08 Rules. Each committee may adopt rules for its own governance not inconsistent with either these Bylaws or rules adopted by the Board.

6.09 Compensation. Neither Committee Members nor chairs will receive any compensation for their services, but, by resolution of the Board, may be reimbursed for reasonable expenses.

6.10 Ex-Officio Member. The President will be an ex-officio member of all committees.

ARTICLE 7 CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

7.01 Contracts. The Board may authorize any officer or agent of the Association, in addition to the officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Delegated authority may be general or confined to specific instances.

7.02 Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association must be signed by the officer(s) or agent(s) of the Association established by Board resolution from time to time. In the absence of a delegation of authority by the Board, these instruments will be signed by any two officers of the Board.

7.03 Deposits. All funds of the Association will be deposited to the credit of the Association in the banks, trust companies, or other depositories selected by the Board.

7.04 Gifts to the Association. The Board is authorized to accept, on behalf of the Association, a contribution, gift, bequest, or devise for the general purposes or for any special

purpose of the Association. The Board is not obligated, however, to accept, and is authorized to reject, any gift tendered or offered to the Association.

7.05 Surplus Funds. As practicable, the Board will strive to maintain a balance of no more than two (2) years-worth of operating funds (or other amount as determined by the Board from time to time) ("Reserve") in readily available funds as a reserve for the Association's operation, administrative, legal, enforcement, and other appropriate expenses. Funds in the Association's treasury in excess of the Association's current operational budget and the Reserve may be allocated by the Board for the support of neighborhood activities and programs to benefit the Subdivision generally, including, but not limited to, those sponsored by the Garden Oaks Civic Club, Inc., a Texas nonprofit corporation organized to promote the common good and general welfare of the residents of Garden Oaks Sections 1, 2, 3, 4, and 5. Members may deliver proposals to the Board for use of these funds at least sixty (60) days before each annual meeting of Members. The Board's proposed annual budget for these activities, and any additions proposed to be made to the budget for these purposes between annual meetings of Members, will be publicized by any means determined by the President, the Secretary, or the Directors to be reasonable and appropriate, such as by publication in the Garden Oaks Gazette or by signs posted in the neighborhood, at least thirty (30) days before the annual meeting of the Members. The proposed budget will be brought to a vote at the annual meeting or a special meeting of Members and must be approved by Members representing a majority of the Lots present at the meeting and entitled to vote. If the proposed budget or any budget amendment for these activities is not approved, the money will remain unallocated in the Association's treasury until the subsequent proposals are brought before the next annual or special meeting of Members. No distribution of funds for these purposes may be made if there are otherwise insufficient funds for the proper operation of the Association.

ARTICLE 8 BOOKS AND RECORDS

8.01 The Association will keep correct and complete books and records of account and minutes of the proceedings of its Members, the Board, and committees having any of the authority of the Board. The books and records will be kept at the registered or principal office, including a record of the names and addresses of Members entitled to vote. The books and records of the Association may be inspected by any Member or his or her agent or attorney-in-fact for any proper purpose, at any reasonable time, and upon reasonable notice. The Association may levy a reasonable charge for copies that it provides of the books and records.

ARTICLE 9 POWERS OF THE ASSOCIATION

9.01 The Association will have all the powers of a non-profit corporation chartered in the state of Texas pursuant to the Texas Business Organizations Code, a property owners association pursuant to Section 204.010 of the Texas Property Code, and Chapter 209 of the Texas Property Code (as amended or any successor statutes). The Association will have the power to collect Assessments and enforce the Amended and Restated Declaration as provided therein.

ARTICLE 10 ENFORCEMENT OF THE RESTRICTIONS

10.01 Authority of the Association. The Association is authorized by the Amended and Restated Declaration to enforce the Amended and Restated Declaration with respect to the Lots within the Subdivision.

10.02 Enforcement of the Restrictions. The Board may adopt written procedures for the investigation, handling, and enforcement of actual and threatened violations of the Restrictions, including procedures for notice to an Owner of an alleged violation and for the reporting of alleged violations. These procedures may be made generally available by any means determined by the President, the Secretary, or the Directors to be reasonable and appropriate, such as individual notice to the Members or publication in the Garden Oaks Gazette.

ARTICLE 11 GARDEN OAKS GAZETTE

11.01 The Association is authorized to arrange with the Garden Oaks Gazette for publication of articles concerning the Association's current activities and issues affecting the Subdivision, lists of Directors and officers, and notices to Members and Owners.

ARTICLE 12 INDEMNIFICATION OF DIRECTORS AND OFFICERS

12.01 To the maximum extent allowed by law, the Association will indemnify each Director and officer of the Association from liability relating to actions taken in good faith in his or her officio] capacity for the Association. The Members intend that no Director or officer have personal liability for any action taken in good faith in his or her capacity as a Director or officer, except to the extent that the Director or officer has breached the standards of conduct set forth in the Texas Business Organizations Code or other applicable law that is the basis for indemnification or exculpation of Directors or officers. The Association will, if reasonably available and economically feasible, and if funds are available for this purpose, purchase Directors' and officers' liability insurance for the benefit of the Directors and officers.

ARTICLE 13 AMENDMENTS TO BYLAWS

13.01 These Bylaws may be amended only by the affirmative vote of a majority (50% plus one) of a quorum of Members present in person, or by proxy, absentee ballot or electronic ballot, at a meeting called for that purpose.

ARTICLE 14 SEVERABILITY

14.01 Any term or provision of these Bylaws that is held to be illegal or unenforceable will be interpreted so as to be valid to the extent possible and will not render the remaining terms or provisions invalid.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the Secretary of Garden Oaks Homeowners Association Inc., a Texas non-profit corporation;

That the foregoing Amended and Restated Bylaws constitute the original Amended and Restated Bylaws of said Association, as duly adopted at a meeting of the Board of Directors where a quorum was present held on the ____ day of _____, 20__.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this the ____ day of _____, 20__.

By: _____
Print Name: _____
Secretary

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, on this day personally appeared _____, the Secretary of Garden Oaks Homeowners Association, Inc. known by me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes herein expressed, in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal of office, this ____ day of _____, 20__.

Notary Public - State of Texas