

**AMENDED AND RESTATED BYLAWS
OF
TEALWOOD HOMEOWNERS ASSOCIATION. INC.**

Article I

Name, Membership, and Definitions

Section 1. Name. The name of the Association is TEALWOOD HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the “**Association**”).

Section 2. Membership. The Association will be composed of one (1) class of membership as more fully set forth in the “Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tealwood, Sections One (1) through Three (3)” recorded in the Official Public Records of Real Property of Harris County, Texas on December 29, 1998 under Clerk’s File No. T463933 (the “**Declaration**”). The provisions in the Declaration relating to membership in the Association are specifically incorporated herein by reference.

Section 3. Definitions/Gender. All other capitalized terms used in these Amended and Restated Bylaws have the same meanings as that set forth in the Declaration, unless otherwise provided. Pronouns, wherever used in these Amended and Restated Bylaws, include all persons regardless of gender.

Article II

Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Meetings. Meetings of the Association will be held at such suitable place as may be designated by the Board of Directors either in the community of Tealwood or as convenient to the Members as possible and practical.

Section 2. Annual Meeting. The annual meeting of the Association will be held on the last Tuesday of February of each year at 7:30 p.m, or at such other time as designated by the Board of Directors. The annual meeting of the Association will be held for the purpose of electing Directors and Officers and for transacting other such business as designated by the Board of Directors.

Section 3. Special Meetings. The President may call special meetings of the Association. In addition, it will be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least twenty (20%) percent of the total votes of the Association. The notice of any special meeting will state the date, time, and place of such meeting and the purpose thereof. No business may be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It will be the duty of the Secretary to send to the Owner of each Lot written notice of each annual or special meeting of the Association stating the purpose of the meeting, as well as the time and place where it is to be held. Such notice may be delivered personally, by mail, by facsimile, and to the extent expressly authorized by statute, by electronic message. If a Member desires that notice be given at an address other than the Lot, the Member must provide the alternative address for the purpose of receiving notice in writing to the Secretary. Notice by facsimile must be sent to the facsimile number provided to the Association in writing by that Member. Notice may be served not less than ten (10) nor more than thirty (30) days before a meeting. If mailed, the notice of a meeting will be deemed to be delivered when deposited in the

United States mail, first class postage pre-paid, addressed to the Member. If faxed, the notice will be deemed to be delivered as of the date and time shown on a written confirmation that the facsimile was successfully transmitted. If sent by electronic message, the notice will be deemed to be delivered as provided by applicable statute. The Board of Directors may use any other means to deliver a notice of a meeting that may become available with advancements in technology, provided that notice by such means is authorized by statute.

Section 5. Waiver of Notice. Waiver of notice of meeting of the Members will be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, will be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting is raised before the business (of which proper notice was not given) is put to a vote.

Section 6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, either in person or by proxy, the presiding officer may adjourn the meeting and reconvene at a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the meeting is fixed by those in attendance at such an adjourned meeting, notice of the time and place for reconvening the meeting will not be required. If a time and place for reconvening the meeting is not fixed by those in attendance at such an adjourned meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting will be given to Members in the manner prescribed herein for a first called meeting. At such reconvened meeting, whether or not a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice provided that (i) at least five percent (5%) of the total votes of the Members as of the date of the meeting is present in person and/or by proxy; and, (ii) any action taken must be approved by at least a majority of all of the Members present, in person and/or by proxy, at such reconvened meeting.

Section 7. Voting. The voting rights of the Members will be as set forth in the Declaration; provided that, all Members have the right to vote in the election of Directors and on any matter concerning the rights or responsibilities of Members. Members may vote in person, by proxy, by absentee ballot, or by electronic ballot.

Section 8. Proxies. All proxies must be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy is revocable and automatically ceases upon (i) conveyance by the Member of the Member's interest in a Lot; (ii) receipt of notice by the Secretary of the death or judicially declared incompetence of a Member; (iii) receipt of written revocation; or, (iv) expiration of eleven (11) months from the day of the proxy. In the event a Member executes more than one (1) proxy, the proxy with the most current date is valid. Proxies not delivered prior to the start of any meeting will not be valid.

Section 9. Quorum. Except as otherwise provided in these Amended and Restated Bylaws or in the Declaration, the presence in person or by proxy of more than twenty percent (20%) of the total votes of the Members as of the time of the meeting constitute a quorum at all meetings of the Association.

Section 10. Conduct of Meetings. The President will preside over all meetings of the Association and the Secretary, or another person designated by the President, will keep the minutes of the

meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 11. Majority Vote. Except as otherwise provided by law, the Declaration, or these Amended and Restated Bylaws, all action to be taken or authorized by the Members will be deemed validly taken or authorized upon the approval of a majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present.

Section 12. Cumulative Voting. At all meetings of the Association, cumulative voting is prohibited.

Section 13. Action Without a Meeting. To the extent allowed by applicable law, any action which may be taken or is required to be taken at a meeting of the Association may be taken without a meeting, if written consent is signed by Members holding the number of votes necessary to approve the action at a meeting. The written consent must (i) set forth the action to be taken and (ii) be executed by the required number of Members as of the effective date set forth in the written consent. Any written consent adopted in accordance with this section will have the same force and effect as a unanimous vote of the Members.

Article III

Board of Directors: Number, Powers, Meetings

Section 1. Governing Body; Composition. The affairs of the Association will be governed by a Board of Directors. Each Director must be a Member of the Association. Not more than one (1) representative of a particular corporation or other entity that is a Member may serve on the Board at any given time. A Member is not eligible to serve on the Board of Directors if the Member has been convicted of a felony or crime involving moral turpitude and there is written, documented evidence of such a conviction from a database or other record maintained by a governmental law enforcement authority.

Section 2. Number of Directors; Terms. The Board of Directors will consist of ten (10) persons. The positions on the Board of Directors will be as follows:

Director/President
Director/President-Elect
Director/Treasurer
Director/Secretary
Director, Place 1/Vice President in charge of Architecture
Director, Place 2/Vice President in charge of Maintenance
Director, Place 3
Director, Place 4
Director, Place 5
Director, Place 6

At each annual meeting of the Members of the Association, the Members will elect the number of Directors necessary to fill the positions on the Board whose terms expire as of such annual meeting, with the exception of Director/President. The position of Director/President will automatically be filled by the person elected as Director/President-Elect at the prior annual meeting. The positions of Director/President, Director/President-Elect, Director/Treasurer and Director/Secretary will be one (1) year terms. The positions of Director, Places 1 through 6, will each be three (3) year terms which will be staggered so that two (2) of those positions will be filled by election each year. Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Amended and Restated

Bylaws. The candidates receiving the highest number of votes will be elected regardless of the number of votes cast. After the election, the Board of Directors will meet and appoint two (2) of the Directors elected to fill Places 1 through 6 as Vice President in charge of Architecture and Vice President in charge of Maintenance. The term of each office will be one (1) year.

Section 3. Candidates for Election to the Board. With respect to any position on the Board of Directors to be filled by a vote of the Members, all Members have the right to run for a position on the Board of Directors. Each year, at least twenty (20) days prior to the date of the annual meeting of the Members, the Association will send notice to all Members of the number of positions on the Board to be filled by election at the upcoming annual meeting and the right of all Members to run for a position on the Board. The notice will specify a date by which a Member must submit his/her name as a candidate for election to the Board, together with biographical information. The Association must be notified by the Member who desires to run for a position on the Board, not by another Member, to confirm the Member's desire to run for election and to serve on the Board. All Members who notify the Association by the stipulated deadline will be candidates whose names and biographical information will be included in the notice of annual meeting sent to all Members. A Member who does not submit his/her name by the deadline set forth in the Association's notice may thereafter notify the Association of his/her desire to run for election to the Board and, in that event, the Member will be a candidate for election to the Board. However, the Association will not be obligated to send a supplemental notice to all Members advising of the names and biographical information of any candidates who submit their names and biographical information after the deadline in the Association's notice. Provided that, if any notice is thereafter sent or published by the Association which includes a list of candidates for election to the Board, the list will include the names of all candidates. Nominations for election to the Board may be made by a nominating or other committee of the Association (the "**Selection Committee**"), provided that, no Member may be prevented from becoming a candidate. A Member may notify the Association of the Member's desire to run for election to the Board of Directors at any time prior to the date that voting in the election ceases. Nomination for election to the Board will not be permitted from the floor at the annual meeting.

The Selection Committee will be comprised of the President-Elect of the Association, the Director of Place 1, the Director of Place 2, and four (4) Members of the Association appointed by the President-Elect; provided that, the four (4) Members of the Association appointed by the President-Elect may not be Directors.

Section 4. Removal of Directors. Any Director elected by the Members or appointed to serve on the Board may be removed from the Board, with cause, by the affirmative vote of a majority of the total number of votes of the Members present and voting at a special meeting called for that purpose or at an annual meeting at which a quorum is present. The provisions of Article II, Section 6, which reduce the quorum requirement for an adjourned meeting, will not be applicable to an adjourned meeting originally called for the purpose of considering the removal of a Director. "Cause", as it relates to a basis for the removal of a Director, means a failure to comply with a material provision in the governing documents of the Association after notice and a demand for compliance from the Association; the determination of non-compliance with a material provision in the governing documents of the Association and the decision to send a notice and demand for compliance must be approved by not less than a majority of the remaining Directors. In the event of the removal of a Director, a successor for the removed Director will be elected by a majority vote of the Members voting at the meeting at which the Director was removed. A Director whose removal is proposed will be given at least ten (10) days written notice of the call of the meeting and the purpose of the meeting; the Director whose removal is proposed will be given the opportunity to be heard at the meeting. Provided that, 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 and will, therefore, be immediately removed. Any Director may be removed by a vote of a majority of the remaining Directors as the result of the Director's failure, without just cause, to attend three (3) consecutive, regularly scheduled meetings of the Board of Directors. "Just cause" means any event that, in the reasonable, good faith judgment of the Board, prevents a Director from attending a meeting and includes, without limitation, death or serious injury to a member of the Director's family or other person with whom the Director has a long-term relationship, a mental or physical ailment or impairment that prevents the Director from attending a meeting, and any mandatory business engagement related to the Director's livelihood and/or employment. Vacancies on the Board caused by reasons other than removal will be filled by the remaining Directors. A Director elected or appointed to fill a vacancy on the Board will serve the unexpired term of his predecessor.

Section 5. Voting Procedure for Directors. The election of the Board of Directors will be conducted at the annual meeting of the Association. At such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Voting for Directors will be by written ballot unless there is only one (1) candidate for a position on the Board, in which event the candidate may be elected by acclamation.

Section 6. Recount of Votes. Any Member may request a recount of the votes of an election. A request for a recount must be submitted not later than the 15th day after the date of the meeting at which the election was held. A demand for a recount must be submitted in writing either:

- a. by certified mail, return receipt requested or by delivery by the U.S. Postal Service with signature confirmation service to the Association's mailing address as reflected on the last recorded management certificate; or
- b. in person to the Association's managing agent as reflected on the last recorded management certificate or to the address to which absentee ballots and proxy ballots were mailed.

Upon the receipt of a timely request for a recount, the Association will, at the expense of the Member requesting the recount, retain the services of a qualified person to perform the recount. The Association will enter into a contract for the services of a person who is not a Member of the Association or related to a member of the Board of Directors of the Association within the third degree by blood or marriage and is a:

- a. current or former county judge;
- b. current or former county elections administrator;
- c. current or former justice of the peace;
- d. current or former county voter registrar; or
- e. person agreed on by the Association and the Member requesting the recount.

A recount must be performed on or before the 30th day after the date of receipt of the request and payment for the recount. If the recount changes the results of the election, the Association must reimburse the Member for the cost of the recount. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by the recount.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time, date, and place as determined from time to time by, or at the request of, the President or four (4) Directors. The frequency of regular meetings shall be as deemed necessary and appropriate by the Board of Directors. Notice of each regular meeting shall be given to all Members as required by law. The Board of Directors may participate in and hold a regular or special meeting by means of:

- a. conference telephone or similar communication equipment by which all persons participating in the meeting can hear each other; or
- b. another suitable electronic communications system, including video conferencing technology or the Internet, only if:
 - i. each Director entitled to participate in the meeting consents to the meeting being held by means of that system; and
 - ii. the system provides access to the meeting in a manner or using a method by which each Director participating in the meeting can communicate concurrently with each other participant.

Participation in a meeting by conference telephone or similar communication or video conferencing technology or the Internet will constitute presence in person at such meeting except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Provided that, without prior notice to the Members, the Board may take action only on routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that required immediate Board action. Any action taken without notice to the Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. Provided further that, the Board may not take action without prior notice to the Members on any matter prohibited by law to be taken without prior notice to the Members.

Section 8. Special Meeting. Special meetings of the Board of Directors will be held when called by the President of the Association or by any four (4) Directors. The notice will specify the date, time, and place of the meeting and the nature of any special business to be considered. The notice will be given to each Director by any one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by facsimile, or (d) if authorized by statute, by email. All such notices will be given or sent to the Director's address, email, or facsimile number as shown on the records of the Association. Notices sent by first class mail will be deposited into a United States mailbox, at least four (4) days before the time set for the meeting. Notices given by personal delivery, email, or facsimile will be delivered or given at least four (4) days before the time set for the meeting. The provisions in Article III, Section 10, relating to notice to the Members will be applicable to a special meeting of the Board of Directors.

Section 9. Notice of Board Meetings. The Board of Directors will give Members notice of Board meetings (regular and special), including the date, hour, place, and general subject of the Board meeting, including a general description of any matter to be brought up for deliberation in closed executive session. A notice of meeting will be:

- a. mailed to all Members at least ten (10) days before the date of the meeting; or
- b. provided at least 72 hours before meeting by:
 - i. being posted notice in a conspicuous location, either in a Common Area or on the Association's website; and

- ii. being emailed to all Members who have registered their email addresses with the Association.

It is a Member's duty to register and keep an updated email address with the Association.

Section 10. Waiver of Notice. The transactions approved at any meeting of the Board of Directors, however called and noticed or wherever held, will be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting will also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice thereof.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors constitutes a quorum for the transaction of business, and the vote of a majority of the Directors present at a meeting at which a quorum is present constitutes the decision of the Board of Directors. A meeting at which a quorum is initially present may continue and business may be transacted, notwithstanding the withdrawal of Directors during the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, either in person or by proxy, the President may adjourn the meeting and reconvene at a time not less than five (5) days and not more than thirty (30) days from the time the original meeting was called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting will be given to the Directors in the manner prescribed for the original meeting. At such reconvened meeting, whether or not a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice, provided that any action taken must be approved, in writing, by at least a majority of the Directors required to constitute a quorum at the original meeting.

Section 12. Compensation. No Director may receive any compensation from the Association for acting in such capacity. However, Directors may be reimbursed for out-of-pocket expenses incurred on Association business. Directors may receive compensation from the Association when taking action at the request of the Association other than in the capacity of Director.

Section 13. Conduct of Meetings. The President will preside over all meetings of the Board of Directors and the Secretary will keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 14. Open Meetings. All meetings of the Board of Directors will be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board of Directors. Provided that, if a Member unreasonably disrupts a meeting of the Board of Directors or repeatedly interrupts the discussion between Directors, the Board of Directors will have the authority, after an initial warning, to cause that Member to be removed from the meeting.

Section 15. Executive Session. The Board of Directors may adjourn a regular or special meeting and reconvene in a closed executive session to consider 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, and 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 executive session will be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Members, violating any privilege, or disclosing any 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.

Section 16. Action Without a Formal Meeting. The Board of Directors 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 by the action, and documented in the minutes of the next regular/special meeting of the Board of Directors.

The Board may not, unless done in an open meeting for which prior notice was given to Members, consider or vote on any of the following issues:

- a. Fines;
- b. Damage assessments;
- c. Initiation of foreclosure actions;
- d. Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- e. Increases in Annual Maintenance Charges;
- f. Levying special assessments;
- g. Appeals from a denial of architectural approval;
- h. 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;
- i. Lending or borrowing money;
- j. The adoption or amendment of a dedicatory instrument;
- k. 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%);
- l. The sale or purchase of real property;
- m. The filling of a vacancy on the Board;
- n. The construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- o. The election of an officer.

Section 17. Powers. The Board of Directors are responsible for the affairs of the Association and have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are noted by the Declaration, Articles of Incorporation of the Association, or these Amended and Restated Bylaws directed to be done and exercised exclusively by the Members.

The President has the authority to act on behalf of the Board of Directors on all matters relating to the duties of any managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Amended and Restated Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors has the power to, and will be responsible for, the following (by way of explanation, but not limitation):

- a. Preparing and adopting an annual budget, in which there will be established the contribution of each Member to the common expenses;
- b. Levying assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments, if any, of the annual assessment;
- c. Providing for the operation, care, upkeep, and maintenance of all of the Common Area;
- d. Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Area and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- e. Collecting the assessments, depositing the proceeds thereof in a bank depository, which it will approve, and using the proceeds to administer the Association;
- f. Making and amending rules and regulations for the Association;
- g. Opening bank accounts on behalf of the Association and designating the signatories required;
- h. Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of the Common Area in accordance with the other provisions of the Declaration and these Amended and Restated Bylaws, after damage or destruction by fire or other casualty;
- i. Enforcing, by legal means, the provisions of the Declaration, these Amended and Restated Bylaws, and the rules and regulations adopted by it, and bringing any proceedings, which may be instituted on behalf of or against the Members concerning the Association;
- j. Obtaining and carrying insurance against casualties and liabilities, including Directors' and Officers' liability insurance, as provided in the Declaration, and paying the premium cost thereof;
- k. Paying the cost of all services rendered to the Association or its Members and not directly chargeable to Members;
- 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. All books and records will be kept in accordance with generally accepted accounting practices, and will be available as required by Texas law;
- m. Providing, upon request, information to Members, mortgagees and prospective purchasers of Lots concerning, by way of example and not in limitation, the status of the Association, the status of payment of assessments and related charges on a Lot and the status of compliance with the provisions of the Declaration, and charging a

reasonable fee sufficient to cover the expense associated with providing such information;

- n. Charging a reasonable fee sufficient to cover the expense associated with changing the records of the Association upon the transfer of title to a Lot; and
- o. Adopting policies and procedures deemed necessary and appropriate for the administration of the Association and the conduct of the Directors and Officers of the Association, the employees of the Association, if any, and persons serving on behalf of the Association in volunteer capacities.

Section 18. Management Agent. The Board of Directors may employ for the Association a professional management agent or agents, or manager, at a compensation rate established by the Board of Directors, to perform such duties and services, as the Board of Directors will authorize. If a managing agent or manager is hired, the following management standards of performance will be followed, unless the Board, by resolution, determines otherwise:

- a. Two (2) or more persons will be responsible for handling cash, or its equivalent, in order to maintain adequate financial control procedures;
- b. Cash accounts of the Association may not be commingled with any other accounts;
- c. No remuneration may be accepted by the manager or 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;
- d. Any financial or other interest which the managing agent or manager may have in any firm providing goods or services to the Association must be disclosed promptly to the Board of Directors; and
- e. A quarterly or more frequent financial report, as may be determined by the Board, will be prepared for the Association containing:
 - i. an income statement reflecting all income and expense activity for the period of time since the last financial report;
 - ii. an account activity statement reflecting all receipt and disbursement activity for the period of time since the last financial report;
 - iii. a budget comparison report reflecting the status of all income and expense accounts in an "actual" versus "projected" budget format;
 - iv. a balance sheet reflecting account balances as of the end of the period of time since the last financial report (this balance sheet will include an aged receivables report or other report deemed appropriate by the Treasurer);
 - v. a balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year which will be distributed within ninety (90) days after the close of any fiscal year to the Board;
 - vi. a budget report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves of ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and
 - vii. a delinquency report listing all Members who have been delinquent during the period of time since the last financial report in paying the assessments and who

remain delinquent at the time of report, and describing the status of any action to collect such assessments which remain delinquent.

Article IV

Officers

Section 1. **Officers.** The officers of the Association are the President, President-Elect, Secretary and Treasurer. The Board of Directors may select, appoint and/or remove such other officers, as it deems appropriate, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors.

Section 2. **Election Term of Office and Vacancies.** The officers of the Association will be elected annually as provided in Article III, Section 2, of these Amended and Restated Bylaws. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. **Removal.** An officer elected by the Members may be removed in accordance with the provisions of Article III, Section 4, of the Amended and Restated Bylaws. Any other officer may be removed by a majority vote of the Board of Directors at a duly called meeting of the Board, at which a quorum is present, whenever in its judgment the best interests of the Association will be served thereby.

Section 4. **Powers and Duties.** The officers of the Association will each have such powers and duties as provided below, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The Chief Executive Officer of the Association will be the President. The Treasurer will have primary responsibility for the preparation of the budget, as provided for in the Declaration, and, with the approval of the Board of Directors, may delegate all or part of the preparation and notification duties to a finance committee, or a management agent.

Section 4.1. **President.** The President will act as the principal executive officer of the Association. The President's duties include, but are not limited to, (i) supervising the affairs of the Association, (ii) presiding at all meetings of the Members, (iii) signing, along with the Secretary or other officer authorized by the Board of Directors, deeds, mortgages, bonds, contracts and other instruments necessary for the proper management of the Association's affairs, and (iv) perform all other duties as authorized and requested by the Board of Directors.

Section 4.2. **President-Elect.** In the absence of the President, or in the event of the President's inability or refusal to act, the President-Elect will have all of the authority given to the President to perform all such duties as listed in Section 2.1, above, and any other duties as authorized and requested by the Board of Directors.

Section 4.3. **Treasurer.** If required by the Board of Directors, the Treasurer must give a secured bond for the faithful discharge of his or her duties in such sum and quantity as determined by the Board of Directors. The Treasurer's duties include, but are not limited to: (i) keeping an account of all sums deposited into the Association's Maintenance Fund and sums owed to the Association; (ii) deposit all sums given to the Association in such bank accounts, trust companies or other depositories as selected by the Board of Directors; and (iii) perform all other duties as authorized and requested by the Board of Directors.

Section 4.4. Secretary. The Secretary's duties include, but are not limited to, (i) keeping the minutes of the meetings of the Members and the Board of Directors, (ii) confirming that all notices are sent in accordance with the provisions of these Bylaws or, if these Amended and Restated Bylaws are silent, the Texas Property Code, (iii) keeping a record of the name and address of each Member and (iv) performing all other duties as authorized and requested by the Board of Directors.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation will take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, and other instruments of the Association will be executed by at least one (1) Officer or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 7. Checks. Except as otherwise provided in this Section 7, all checks must be signed by the President and the Treasurer or by such other person or persons as to be designated by the Board of Directors. Provided that, the President-Elect will sign the checks in the absence of the President. The Board of Directors may authorize that checks for less than \$1,000.00 only require the signature of one (1) Officer, Director, or other person designated by the Board of Directors.

Section 8. Gifts. The Board of Directors may accept, on behalf of the Association, any contribution, gift, bequest or devise.

Section 9. Compensation. No officer may receive any compensation from the Association for acting in such capacity. However, officers may be reimbursed for out-of-pocket expenses incurred on Association business. Officers may receive compensation from the Association when taking action at the request of the Association other than in the capacity of officer.

Article V

Committees

Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Such committees will perform such duties and have such powers as may be provided in the resolution creating same. Each committee will be composed and will operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Article VI

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association begins on the first (1st) day of January and ends on the last day of December each year except as provided by resolution of the Board of Directors.

Section 2. Parliamentary Rules. Robert's Rules of Order (current edition) govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Amended and Restated Bylaws.

Section 3. Conflicts. If there are conflicts or inconsistencies among the provisions of Texas law, the Declaration, the Articles of Incorporation, these Amended and Restated Bylaws, and/or any rules and regulations of the Association, the provisions of Texas law, the Declaration, the Articles of Incorporation, these Amended and Restated Bylaws, and the rules and regulations of the Association (in that order) will prevail.

Section 4. Books and Records. Books and records of the Association must be retained by the Association in accordance with the Association's Records Retention Policy. Each Member or Member's designated representative has a right to either inspect the requested books and records before obtaining copies or to have the Association forward copies of the requested books and records in accordance with the Association's recorded Open Records Policy. Provided that, this provision will not require the Association to release or allow inspection of books and records that are not required by law to be released or inspected, as set forth in the Association's recorded Open Records Policy. Every Director has the absolute right at any reasonable time to inspect all books, records, and documents of the Association. The right of inspection by a Director includes the right to make extra copies of documents at the reasonable expense of the Association; provided that, the Association will not be obligated to bear the expense of providing more than one (1) copy of any document to a Director.

Section 5. Audit. An audit of the accounts of the Association must be performed by a qualified, independent certified public accountant as frequently as deemed appropriate by the Board of Directors, but not less frequently than once every other year. Each audit must be in accordance with generally accepted auditing standards to obtain reasonable assurance that the Association's financial statements are free of material misstatements, to assess accounting principles used, and to evaluate the overall financial statement presentation. A more comprehensive audit may be performed in any given year as deemed necessary or appropriate by the Board.

Section 6. Indemnification. The Association must indemnify a director, officer or committee member who was, is or is threatened to be named as a defendant or respondent in a proceeding to the extent indemnification is consistent with the Texas Business Organizations Code, as it now exists or may hereafter be amended.

Section 7. Amendment. These Amended and Restated Bylaws may be amended either by (i) a resolution approved by the Board of Directors or (ii) by written resolution proposed by not less than five percent (5%) of the Members and approved by the vote of not less than two-thirds (2/3rds) of the members present, in person or by proxy, and voting at a meeting of the Members called for that purpose at which a quorum is present. A copy of all proposed amendments to these Amended and Restated Bylaws must be provided in the notice of the meeting at which the amendments are to be voted on.

The undersigned, being the Secretary of the Association, certifies that these Amended and Restated Bylaws of Tealwood Homeowners Association, Inc. were approved by not less than two-thirds (2/3) of the Members present and voting at a meeting duly called and held on _____, 2016 at which a quorum was present.

TEALWOOD HOMEOWNERS ASSOCIATION, INC.

Date: _____

By: _____
Secretary

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this day personally appeared _____, Secretary of Tealwood Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and in the capacity therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the ___ day of _____, 2016, to certify which witness my hand and official seal.

Notary Public in and for the State of Texas

Return to:
Rick S. Butler
ROBERTS MARKEL WEINBERG BUTLER HAILEY, PC
2800 Post Oak Blvd., Suite 5777
Houston, Texas 77056