

AMENDED AND RESTATED BYLAWS
OF
BEACHTOWN COMMUNITY FOUNDATION CORP.

Article I.

Name and Location

Section 1. Name The name of the corporation is **Beachtown Community Foundation Corp.**, hereinafter referred to as the "Association"

Section 2 Location The principal office of the corporation shall be located at 11522 Old Katy Road, Suite 100, Houston, Texas 77043, but meetings of members and directors may be held at such places within the State of Texas as may be designated by the Board of Directors All capitalized terms used in these Bylaws shall have the same meanings ascribed to them as set forth in the Master Declaration of Covenants, Conditions and Restrictions for Beachtown Galveston, a subdivision in Galveston County, Texas, consisting of various Villages and Sections more particularly described in certain plats and replats concerning Beachtown Galveston Village One, Section One recorded in Volume 2004A, Page 136-138, the Replat thereof recorded in Volume 2004A, Pages 179-181, the Replat of Beachtown Galveston Village One, Section One, Block 1 (Lots 1-4), Block 2-5, and Block 6 (Lots 1-4) recorded in Volume 2006A, Pages 8-9, the replat of Beachtown Galveston Village One, Section One, Block 10, Lots 3-7 which has been approved for recordation, Beachtown Galveston Village One, Section Two, a subdivision in Galveston County Texas, recorded in Volume 2005A, Pages 203-206; and Beachtown Galveston East Village recorded in Volume 2006A, Pages 96-98, and Replat of Beachtown Galveston East Village in Volume 2006A, Pages 178-181, all in the Office of the County Clerk of Galveston County, Texas, and all amendments, modifications and supplements thereto and all annexation agreements recorded in connection therewith ("Declaration")

ARTICLE II.

Definition of Terms

A. Definition of Terms: When used in this Declaration, the words set out below shall have the following meanings

Section 1. "Association" shall mean and refer to the Beachtown Community Foundation Corp, which is or shall be a Texas non-profit corporation, its successors, assigns and/or replacements, whose membership is composed of all of the owners of Lots within the Subdivision, and its successors and assigns, as described in Article IV of the Declaration

Section 2 "Owner" shall mean any person or persons, firm, corporation or other entity who is the record owner of a fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those who have such interest merely as security for the performance of an obligation For purposes of membership in the Association, each Lot shall only have one Owner, and if multiple parties own a Lot they shall designate the "Owner" for purposes hereof

Section 3 "Property" shall mean and refer to the Property described in the Declaration, and

such additions thereto as may hereafter be brought within the jurisdiction of the Association

Section 4 "Subdivision Plat" shall mean and refer to the map or plat of the Property, recorded in the Map Records of Galveston County, Texas, and any recorded replat thereof

Section 5 "Lot" and/or "Lots" shall mean and refer to the Lots shown upon the Subdivision Plat (with the exception of the Common Properties).

Section 6. "Common Property" shall mean and refer to those areas of land within the Property as are now shown and identified on the Subdivision Plat as a park, Beachtown Square, pedestrian walkways such as Shiraz Passage and Beachtown Passage, greenbelt, public dune walkovers, open space reserve, open space reserve (beach access), parking reserve, landscape reserves and subdivision entrances and other subdivision amenities as may be created and/or added to the Subdivision which are not currently identified on the Subdivision plat including, but not limited to, recreational facilities which are to be maintained and regulated by the Association, together with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plat, and/or by virtue of grants or dedications by Declarant or Declarant's successors in title Declarant will have the right, but not the obligation, to construct and/or add a swimming pool and/or other common facilities including but not limited to tennis courts, jogging and biking trails, dune crossovers, lighting, railings, etc to the Property Declarant further has the right, but not the obligation, to fund the construction and/or repair and maintenance of any common facility added to the Property by spending monies received and collected into the Maintenance Fund. Should a swimming pool and any of its related facilities be erected by use of the Maintenance Fund, same shall become a part of the Common Property. References herein to "the Common Properties in the Subdivision" shall mean and refer to Common Properties as defined respectively in the Declaration, as amended, and all Supplemental Declarations

Section 7. "Town Architect" shall be a licensed architect appointed by Declarant or the Board of Directors of the Association to perform the functions set forth in the Declaration of Covenants, Conditions and Restrictions of Beachtown Galveston, Section One and any Amendments thereto.

Section 8. "Declarant" shall mean and collectively refer to BEACHTOWN GALVESTON REAL ESTATE, LTD in the capacity as successor in interest to BEACHTOWN GALESTON VILLAGE ONE LTD, BEACHTOWN GALVESTON VILLAGE TWO, LTD, and BEACHTOWN GALVESTON EAST VILLAGE, LTD their successors, and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant, their successor, or their assigns and recorded in the Office of the County Clerk of Galveston County, Texas or by Declarants' successor or assigns by operation of Law

Section 9. "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Beachtown Community Foundation Corp, whether such Board of Directors be appointed by Declarant or elected by the Association in accordance with the provisions of the Declaration, or the

body, regardless of name, designated to act on behalf of the developer and association

Section 10 "Appointed Board" shall mean the initial Board of Directors who shall be appointed by the Declarant. The Declarant shall retain the unilateral right to appoint all Directors until such time as Declarant no longer owns any portion of the Property. From and after the time when Declarant no longer owns any portion of the Property, the Appointed Board shall serve until an election can be conducted to elect a new board pursuant to the By-Laws.

The words used in these Bylaws shall have the same meaning as set forth in the Master Declaration of Covenants, Conditions and Restrictions for Beachtown, a subdivision in Galveston County, Texas recorded under County Clerk's File No. 2006046960 and the First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Beachtown Galveston, a subdivision in Galveston County, Texas recorded under County Clerk's File No. 2006085237 in the office of the Galveston County Clerk (said Declaration, as amended, revised, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

Article III. **Board Of Directors**

Section 1 Directors. The Association shall initially act through a three (3) member Board of Directors, which shall manage the affairs of the Association. The initial Directors of the Association have been selected by Declarant and will be considered the Appointed Board as that term is defined in Article I, Section 10 of the Declaration as well as these Bylaws. Each Director on the Appointed Board shall serve for a term of one (1) year from date of appointment, and thereafter, until his successor is duly appointed and qualified. Upon the expiration of the terms of the Directors on the Appointed Board, the Members shall elect a Board of Directors as provided for in these By-Laws. Any Director vacancy, from whatever cause, occurring in the Appointed Board shall be filled by appointment made by the Declarant and the person appointed to fill such vacancy shall serve for the remainder of the term. The Directors shall have the power, but not the obligation, to select one or more advisory directors from the residents of the Subdivision to serve for such periods of time as the Appointed Board or, later, the Board of Directors shall deem appropriate, for the purpose of providing advice and counsel to the Board of Directors, provided that such advisory directors shall have no right to act on behalf of the Association. An officer, director, or committee member of the Board of Directors shall not be liable to the Association or any Owner for any action or omission occurring in such person's capacity as an officer, director, or committee member so long as such action or omission is made or taken in good faith or pursuant to the business judgment rule.

Section 2 Nomination of Directors. Except with respect to Appointed Directors selected by the Declarant, nominations for election to the board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members after the transition from an Appointed Board to a Board of Directors comprised of Members of the Association elected by Owners. The Nominating Committee shall

make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 3 Election and Term of Office

(a) At the first annual meeting of the membership after the termination of the Appointed Board, the Board shall increase to five (5) directors and shall be elected as follows. All five (5) directors shall be elected by the membership with the three (3) candidates receiving the highest number of votes to serve three (3) year terms and the remaining two (2) candidates to serve two (2) year terms. Thereafter, each director position elected will be for a two (2) year term with the resulting pattern of director positions up for election in alternating years ensuring a continuity of leadership within the Association.

(b) Each Member shall be entitled to cast the number of votes he is entitled to in accordance with the provisions of the Declaration. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected and qualified. The directors elected by the Members shall hold office until their respective successors have been elected and qualified. Directors may be elected to serve any number of consecutive terms.

Section 4. Compensation. Directors will not receive any compensation for their services as officers or directors.

Section 5 General Powers and Duties of Directors. The directors will have general charge of the affairs, property, and assets of the Association. It will be the duty of the Board to carry out the goals and purposes of the Association and, to this end, to manage and to control all of its property and assets. In carrying out its duties the Board is authorized to elect officers and to employ or to arrange for the services of such other persons, including attorneys, agents, managers and assistants, as in their opinion are necessary or desirable for the proper administration of the Association and or its properties, and to pay reasonable compensation for such officers' and persons' services and expenses. The Board may also, from time to time, appoint and retain as advisors persons whose advice, assistance, or support may be deemed helpful in determining policies and formulating programs for carrying out the Association's purposes and pay the reasonable expenses thereof.

Section 6 Specific Powers. The Board of Directors shall specifically, but without limiting any general powers, have power to

(a) adopt and publish rules and regulations governing the use of the Common Property, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for infraction of rules and regulations adopted by the Board,

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation, or the Declaration

Section 7 Specific Duties. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation.

(a) preparation and adoption, in accordance with the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Association Expenses,

(b) making assessments to defray the Association Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment,

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Property,

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property 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,

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association, provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks,

(f) making and amending rules and regulations,

(g) opening of 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 Property in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty,

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association,

(j) obtaining and carrying insurance against casualties and liabilities, 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 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) making available to any prospective purchaser a portion of the Property or any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Property and all other books, records, and financial statements of the Association; and

(n) permitting (1) utility suppliers and (2) suppliers of other services such as cable television and security monitoring systems which have a contract with the Declarant or the Association to use portions of the Common Property reasonably necessary to the ongoing development or operation of the Property.

Section 8 Management. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 9. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise.

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform generally accepted accounting principles,

(c) cash accounts of the Association shall not commingled with any other accounts,

(d) no remuneration shall 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, unless fully disclosed to the Association by the managing agent,

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors,

(f) commencing at the end of the month in which the first Lot is sold and closed, financial reports shall be prepared for the Association at least quarterly containing

- (1) an income statement reflecting all income and expense activity for the preceding period on an accrual basis,
- (2) a statement reflecting all cash receipts and disbursements for the preceding period,
- (3) a variance report reflecting the status all accounts in an "actual" versus "approved" budget format,
- (4) a balance sheet as of the last day of the preceding period, and
- (5) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (Any assessment or installment thereof shall be considered to be delinquent on the fifteenth (15th) day following the due date unless otherwise determined by the Board of Directors); and

(g) an annual report consisting of the following shall be available to all Owners within one hundred twenty (120) days after the close of the fiscal year: (1) balance sheet, (2) an operating (income) statement, and (3) statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant, provided, upon written request of any holder, guarantor or insurer of any first Mortgage, the Association shall provide an audited financial statement.

Section 10. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, addition, improvement or restoration of the Common Property without the approval of the Voting Members of the Association.

Section 11 Rights of the Association. With respect to the Common Property, and in accordance with the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other owners or residents associations, both within and without the Property. Such agreements shall require the consent of two-thirds (2/3) of all directors of the Association.

Section 12. Enforcement.

(a) **Fines** The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or any person's right to use the Common Property, for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder. In the event that any occupant, guest or invitee of a Lot violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall be assessed against the Owner, and the Owner shall pay the fine upon

notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(1) Notice. Prior to imposition of a fine hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed fine to be imposed, (iii) a period of not less than thirty (30) days within which alleged violator may present a written request to the Board of Directors for a hearing, and (iv) a statement that the proposed fine shall be imposed contained in the notice unless a challenge is begun within thirty (30) days of the notice. If a timely challenge is not made, the fine stated in the notice shall be imposed.

(2) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed. The Board of Directors or the Covenants Committee may, but shall not be obligated to, suspend any proposed fine if the violation is cured within the thirty (30) day period. Such suspension shall not constitute a waiver of the right to fine future violations of the same or other provisions and rules by any Person.

(b) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by suspending an Owner's right to vote or any Person's right to use the Common Property, or by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Section 13. Vacancies. Whenever a vacancy occurs in the Board by death, resignation, or increase in the number of directors of the Association, such vacancy or vacancies will be filled by a majority vote of the Board, even though the remaining directors may constitute less than a quorum. Each director, so elected, will hold office for the unexpired term of his predecessor in office.

Section 14. Removal. Following the expiration of the Appointed Board, any director may be removed from the Board for cause by a majority vote of the members of the Association at a meeting called for such purpose. In the event of removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Article IV.
Meetings Of Board Of Directors

Section 1 Annual Meeting. The annual meeting of the Board will be held annually on such day and date as determined by the Board and stated in notice to all directors, or at such other time as may be determined by the directors for the purpose of electing officers and for the transaction of such other business as may come before the meeting

Section 2. Regular Meetings. Regular meetings of the Board will be held, if necessary, at such times as may be determined from time to time by the Board or by any officer of the Association and preceded by notice sent to each director at least five (5) business days before the date scheduled for the meeting called

Section 3. Special Meetings. Special meetings of the Board may be held at any time upon the call of the President, the Secretary, or any two directors of the Association. Notice will be sent by mail or facsimile to the last known address of each director at least three (3) days before the meeting. Oral notice may be substituted for such written notice if given not later than one (1) day before the meeting. Notices of such meeting may be waived in writing before or after such meeting and will be equivalent to the giving of notice. Attendance of a director at such meeting will also constitute a waiver of notice thereof, except where he attends for the announced purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Except as otherwise required by law, neither the business to be transacted at nor the purpose of any regular or special meeting of the directors need be specified in notice or waiver of notice of such meeting

Section 4. Action Without a Meeting. Any action required or permitted by law, the Articles of Incorporation, or these Bylaws to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by all of the directors.

Section 5 Quorum and Determination of Majority Vote. A quorum for the transaction of business will consist of a majority of the number of directors. Unless otherwise required by law or these Bylaws, all acts and determinations of the Board will require the affirmative vote of the directors present at any duly called and held meeting of the directors at which a quorum is present throughout, and the phrases "majority vote", "majority vote of the Board", and others describing or requiring action by the directors will be so construed. Every act or decision done or made or ratified by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

Article V.
Officers

Section 1 Officers. The officers of the Board of Directors will be elected by the Board and will consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other

officers as the Board may from time to time designate, all of whom will hold office until their successors are elected and qualified

Two (2) or more offices may be held by the same person. All officers will be entitled to be paid or reimbursed for all costs and expenditures incurred in the Association's business. Officers shall serve one (1) year terms and shall be elected at the annual meeting of the Board

Section 2 Vacancies. Whenever a vacancy occurs in any office by death, resignation, increase in the number of officers of the Board, or otherwise, the vacancy will be filled by the Board and the officer so elected will hold office until his successor is chosen and qualified

Section 3. Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. The Board shall then elect the successor for such removed officer.

Section 4. President. It will be the duty of the President to preside at all meetings of the Board, to sign all deeds, conveyances, releases, and to be the chief executive officer of the Association

Section 5 Vice President Any Vice President may perform the usual and customary duties that pertain to such officers (but no unusual or extraordinary duties or powers conferred by the directors upon the President) and, under the direction and subject to the control of the directors, such other duties as may be assigned to him.

Section 6. Secretary. It will be the duty of the Secretary to attend all meetings of the directors and to record correctly the proceedings of such meetings in a book suitable for that purpose. The person holding the office of the Secretary also will perform such other duties as may be assigned to him. The duties of the Secretary may also be performed by any Assistant Secretary

Section 7 Treasurer. The Treasurer will keep and account for such monies of the Association as may be entrusted to his keeping. He will be prepared at all times to give information as to the condition of the Association. The person holding the office of Treasurer also will perform such other duties as may be assigned to him. The duties of the Treasurer may also be performed by any Assistant Treasurer.

Section 8 Delegation of Authority. In the case of any absence of any officer of the Association or for any other reason that the directors may deem sufficient, the directors may delegate some or all of the powers or duties of such officer to any other officer or to any director, employee, or agent for whatever period of time seems desirable

Section 9 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for

the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 10. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by such person or persons who may be designated by resolution of the Board of Directors

Article VI.
Committees

Section 1 Executive Committee. The Board may create an Executive Committee the members of which will be appointed by a majority vote of the Board to serve at the pleasure of the Board. Except as otherwise provided herein, the Executive Committee, during the intervals between the meetings of the directors, will possess and may exercise those powers of the directors specifically assigned to such Committee by the Board. A majority of the members of the Executive Committee present at any meeting will constitute a quorum. The Executive Committee will keep full records and accounts of its proceedings and transactions. All actions taken by the Executive Committee will be reported to the Board at its meeting next succeeding such action and will be subject to control, revision, and alteration by the Board. The Board shall have the power and authority to fill any vacancies in the Executive Committee from time to time.

Section 2. Other Committees. The Board may provide for such other standing or special committees, the members of each of which will be appointed by the Board and the Board may discontinue any such committee at its pleasure. Each such committee will have such powers and perform such duties, not inconsistent with the law, the Articles of Incorporation, the Declaration, or these Bylaws, as the directors may prescribe. Vacancies in such other committees will be filled by the Board or as the Board may provide.

Article VII.
Declaration

Section 1 Incorporation by Reference. The Master Declaration of Restrictions, Covenants, Conditions For Beachtown Galveston, a subdivision in Galveston County, Texas and the First Amendment to Master Declaration of Covenants, Conditions and Restrictions For Beachtown Galveston, a Subdivision in Galveston County, Texas, as filed under Clerk's File Nos. 2006046960 and 2006085237, respectively, in the Office of the County Clerk of Galveston County, Texas, and as either may be from time to time amended, is hereby incorporated herein by reference, the same as if such document, as amended, were set out in full herein.

Article VIII.
Members

Section 1. Classes of Members. The Association shall have classes of members as described in the Articles of Incorporation and the Declaration. Each person or if more than one, all persons collectively, who constitute the Owner of Lot or property shall be a Member.

Section 2 Voting Rights. Each Member shall have the right to cast the number of votes allocated to it in the Articles of Incorporation and the Declaration for the purposes of voting on each matter submitted to a vote of the members

Section 3 Transfer of Membership. Membership in this corporation is not transferable or assignable, except as such transfer or assignment may be effectuated by a sale of the Lots, the ownership of which gave rise to the status and rights of Membership.

Article IX.
Meetings Of Members

Section 1 Annual Meetings of Members. The Members of the Association will meet at an annual meeting which will be held on such day and date as the Board may determine and so notify the Members. The purpose of said annual meetings shall be for the transaction of business as may come before the members of that particular meeting and, following the term and duration of the Appointed Board, to elect the Directors of the Association. If the election of the directors is not held on the day designated for any annual meeting of Members, then the Association will cause the election to be held at a meeting of its Members as soon thereafter as a quorum can be present or represented

Section 2. Special Meeting. Special meetings of the Members may be called by the President of the Association or by not less than one-fourth (1/4) of the Members, except to the extent the Declaration of Covenants, Conditions and Restrictions shall otherwise provide

Section 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as a place of meeting for any annual meeting or for any special meeting called for Members. If no designation is made or if a special meeting be otherwise called, the place of meeting will be the registered office of the Association in the State of Texas.

Section 4. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of Members will be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the person or persons calling the meeting. In case of a special meeting or when required by statute or these by-laws, the purpose or purposes for which the meeting is called will be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail addressed to the Member at his, her or its address as it appears on the records of the Association, with postage thereon prepaid.

Section 5 Quorum. Except to the extent the Declaration of Covenants, Conditions and Restrictions provide otherwise, the Members of the Association holding ten percent (10%) of the votes which are eligible to be cast at any meeting of the Association will constitute a quorum at such meeting. If a quorum is not present at any meeting of such Members, the Members present who are eligible to vote shall adjourn the meeting from time to time without further notice

Section 6. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy will be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 7. Voting by Mail. Where directors are to be elected, such election may be conducted by mail in such manner as the Board of Directors shall determine.

Article X.

Contracts, Checks, Deposits, And Funds

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so 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. Such authority may be general or confined to specific instances.

Section 2. 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 will be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Deposits. All funds of the Association will be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may from time to time select.

Section 4. Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

Article XI.

Books And Records

Section 1. Inspection by Members and Mortgagees. The Declaration, By-Laws, and Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the Association, the membership register, and the minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Member of the Association, or by the duly appointed representative of any Member, at any reasonable time and for a purpose reasonably related to his or her interest in property subject to the Declaration at the office of the Association or at such other place within the Property as the Board shall prescribe.

Section 2. Rules for Inspection. The Board shall establish reasonable rules with respect to

- (a) notice to be given to the custodian of the records,
- (b) hours and days of the week when such inspection may be made, and

- (c) payment of the cost of reproducing copies of the documents requested

Section 3. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 4. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid.

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of property owned by such Member; or

(b) if to the Association, the Board of Directors, the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Article XII.
Rules And Regulations

Section 1. At any meeting called for such purpose or at any regular annual meeting, the Board may promulgate rules and regulations for the use and maintenance of Lots and for the use of Common Property, and for such other purposes as deemed necessary or desirable by the Board. Such rules and regulations will be enforceable by the Board as provided in the Declaration.

Article XIII.
Support Services

Section 1. Manager. The Board, at its sole and absolute discretion, will have the authority to hire a managing agent ("Manager"), whose duties will be defined in a contract entered into by and between the Association and such Manager.

Section 2. Support Services. A Manager hired by the Association will have the authority expressly granted to it by contract and, in addition, unless otherwise provided in such contract, will have the authority, subject to approval of the Board, to hire individuals or business entities for any purposes for which the Association has responsibility, and, in addition, will have the authority to recommend for approval by the Board other individuals or business entities to carry out responsibilities of the Association on behalf of the Association.

Article XIV.
Remedies

Section 1 Late Charges. In all instances in which an assessment provided for in the Declaration applicable to the Member's Lot is not paid within thirty (30) days after the due date reflected on such notice of assessment, such Member shall be obligated to pay late charges or interest, which will be billed against such delinquent Member in an amount not to exceed the maximum amount allowed by applicable law. This late charge will be reflected on the statement for assessments for the month next succeeding the month in which such late fee was incurred

Section 2. Default and Termination of Membership. When any Member shall be in default in the payment of assessments or in complying with the restrictions and provisions of the Declaration or the Rules and Regulations, such Members' voting rights shall be suspended until the Member has cured all defaults

Article XV.
Other Transactions

Section 1 No contract or other transaction between the Association and one or more of its directors, officers, or Members or between the Association and another corporation, partnership, joint venture, trust or other enterprise of which one or more of the Association's directors, officers, or Members are security holders, members, officers, directors, or employees or in which they are otherwise interested, will be invalid solely because of this relationship or because of the presence of such director, officer, or Member at any meeting authorizing the contract or transaction or his or her participation or vote in the meeting or authorization.

Article XVI.
Amendments

Section 1 Amendment. The Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination, (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots, (c) required by an institutional governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on property subject to the Declaration, or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on property subject to the Declaration; provided, however, any such amendment shall not adversely affect the title to any property unless the Owner shall consent thereto in writing. So long as it still owns property described in the Declaration for development as part of the Property, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner

Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing a majority of the total votes in the Association.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege

Article XVII.
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association will begin on the first day of January of each year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these By-Laws

Section 3 Conflicts. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Texas law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Article XVIII.
Seal

Section 1. The seal of the Corporation will be in such form as will be adopted and approved from time to time by the directors. Such seal need not be affixed to or impressed upon any instrument or document in order for such instrument or document to be binding upon or to be considered to be the act of the Association.

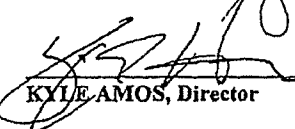
In witness whereof, the undersigned directors of Bechtown Community Foundation Corp. executed these Amended and Restated Bylaws effective on the 11 day of September, 2007.



TOFIQ SHIRAZI, Director



CHAD MURPHY, Director



KYLE AMOS, Director

BEACHTOWN GALVESTON COMMUNITY FOUNDATION

RULES FOR USE OF RESIDENCES

The Board of Directors promulgates the following rules for the purpose of creating a harmonious atmosphere for all lot owners and residents

- 1) If a single family residence is rented for any party or event, including, but not limited to wedding receptions or corporate retreats, and the party or event entails parking more than 10 cars, the lot owner renting the single family residence must hire a licensed peace officer or policeman to direct traffic
- 2) No common area or public street shall be used for the purpose of cooking, distributing, or serving food
- 3) Private dune walkovers and passages are for the use of the entire subdivision's property owners and may not be used in any manner that would imply that the entire subdivision's property owners cannot use them at any and all times.
- 4) Lot or property owners shall control the behavior of their guests and invitees at all time in order to prevent nuisances and trespass upon other persons' property from taking place
- 5) Garbage must be removed from the subdivision immediately upon conclusion of the party or event being held and shall not be left upon the lot or adjoining street

Should these rules be violated, the violator will be fined an amount equal to the rental fee charged for holding the party or event subject to the outcome of the hearing process set forth in the Master Declaration and Chapter 209 of the Property Code of the State of Texas

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2008062307

November 18, 2008 03 22 28 PM

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Mary Ann Daigle, County Clerk
Galveston County, TEXAS