

**AMENDED AND RESTATED BYLAWS
OF
LAGUNA HARBOR PROPERTY OWNERS ASSOCIATION, INC.**
[Amended as of February 19, 2014]

Article I

NAME AND LOCATION

The name of the corporation is **Laguna Harbor Property Owners Association, Inc.**

The principal office of the corporation will be located at 4345 Laurel, Beaumont, Texas 77707, but meetings of members and directors may be held at the places within both Galveston County, Texas, and Jefferson County, Texas, as designated by the Board of Directors.

Article II

DEFINITIONS

Section 1. The term "Association" refers to **Laguna Harbor Property Owners Association, Inc.**, its successors and assigns.

Section 2. The term "Properties" refers to the real property described in the Declaration of Covenants, Conditions and Restrictions ("Declaration"), and any additions to the Declaration as may be brought within the jurisdiction of the Association.

Section 3. The term "Common Area" means all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. The term "Lot" refers to any plot of land shown on any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. The term "Owner" refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 6. The term "Declarant" refers to **Laguna Resources, Ltd.**, and its successors and assigns, if the successors or assigns acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. The term “Declaration” refers to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Clerk of Galveston County, Texas, under File or Film Code Number 2005004442 of the Real Property Records of said county and office.

Section 8. The term “Member” refers to those persons entitled to membership as provided in the Declaration.

Article III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members will be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members will be held on such date and at such time as determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by a majority of the members of the Board of Directors, or on the written request of the members who are entitled to vote 2/3 of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members will be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least 10 days before the meeting to each member entitled to vote, addressed to the member’s address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. Notice must specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, 51% of the votes of each class of membership will constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If a quorum is not present or represented at a meeting, the members entitled to vote will have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies must be in writing and filed with the secretary. Every proxy will be revocable and will automatically cease on conveyance by the member of his or her Lot.

Article IV

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association will be managed by a Board of five (5) directors, who need not be members of the Association.

Section 2. Term of Office. Each director will serve for one year term and until his or her successor has been elected at the annual meeting of the members.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, a successor will be selected by the remaining members of the Board and will serve for the unexpired term of the predecessor.

Section 4. Compensation. No director may receive compensation for any service he or she renders to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of duties.

Section 5. Action Taken Without a Meeting. The directors will have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved will have the same effect as though taken at a meeting of the directors.

Article V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors will be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee will consist of a Chairman, who will be a member of the Board of Directors, and one or more members of the Association. The Nominating Committee will be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of the annual meeting until the close of the next annual meeting, and that appointment will be announced at each annual meeting. The Nominating Committee will make as many nominations for election to the Board of Directors as it determines, but not less than the number of vacancies that are to be filled. Nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors will be by secret written ballot. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes will be elected. Cumulative voting is not permitted.

Article VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors will be held at least every six months, without notice, at the place and hour as fixed by resolution of the Board. If a meeting falls on a legal holiday, then that meeting will be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors will be held when called by the president of the Association, or by any one director, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of the directors will constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present will be regarded as the act of the Board.

Article VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors will have power to:

- e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- f) Cause all officers or employees having a fiscal responsibilities to be bonded, as it may deem appropriate;
- g) Cause the Common Area to be maintained; and
- h) Cause the exterior of the dwellings to be maintained.

Without limiting the generality of the foregoing, the Board of Directors shall have the power to enter into long-term maintenance, management and/or service agreements with any person or company to provide services for the Association, on such terms as the Board of Directors determines is appropriate. Any such contract may be made with any person or company, notwithstanding that such person or company is a member of the Board of Directors, a member of the Association or related to any member of the Board of Directors or the Association.

Article VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association will be a president and vice-president, who will at all times be members of the Board of Directors, a secretary, and a treasurer, and any other officers that the Board by resolution creates.

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

Section 3. Term. The officers of this Association will be elected annually by the Board and each will hold office for one (1) year unless he or she resigns, or is removed, or is otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect other officers as the affairs of the Association may require, each of whom will hold office for the period, have the authority, and perform the duties as the Board determines.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. A resignation will take effect on the date of receipt of the notice or at any later time specified, and unless otherwise specified, the acceptance of the resignation will not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to fill the vacancy will serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer and any other office may be held by the same person.

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

President

- (a) The president will preside at all meetings of the Board of Directors; will see that orders and resolutions of the Board are carried out; will sign

all leases, mortgages, deeds and other written instruments and will co-sign all checks and promissory notes.

Vice-President

- (b) The vice-president will act for the president in the event of his or her absence, inability or refusal to act, and will exercise and discharge other duties as required by the Board.

Secretary

- (c) The secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring a seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and perform other duties as required by the Board.

Treasurer

- (d) The treasurer will receive and deposit in appropriate bank accounts all monies of the Association and disburse funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

Article IX

COMMITTEES

The Association will appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these by-laws. In addition, the Board of Directors will appoint other committees as deemed appropriate in carrying out its purpose.

Article X

BOOKS AND RECORDS

The books, records and papers of the Association will at all times, during reasonable business hours, be subject to the inspection by any member. The Declaration, the Articles of Incorporation and the By-laws of the Association will

be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien on the property against which the assessment is made. The amount of each annual and special assessment shall be determined from time to time by a majority vote of the Board of Directors. Any assessments which are not paid when due will be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment will bear interest from the date of delinquency at the rate of 10% per annum, and the Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any action will be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessments provided for by nonuse of the Common Area or abandonment of his or her Lot.

Article XII

CORPORATE SEAL

The Association will not have a seal.

Article XIII

AMENDMENTS

Section 1. These bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these bylaws, the Articles will control; and in the case of any conflict between the Declaration and these bylaws, the Declaration will control.

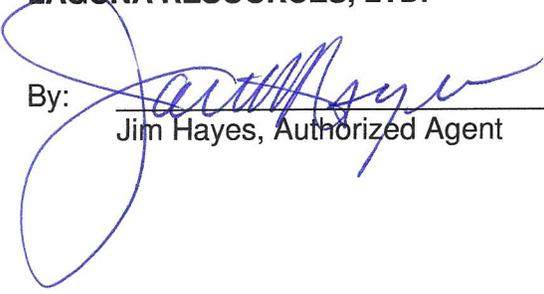
Article XIV

MISCELLANEOUS

The fiscal year of the Association will begin on the first day of July and end on the 30th day of June of every year, except that the first fiscal year will begin on the date of incorporation.

Executed this 19th day of February, 2014.

LAGUNA RESOURCES, LTD.

By: 

Jim Hayes, Authorized Agent