

BY-LAWS
OF
RIVERWOOD PROPERTY OWNER'S ASSOCIATION

ARTICLE I
ORGANIZATION

1. The name of this organization shall be RIVERWOOD PROPERTY OWNER'S ASSOCIATION.
2. The organization shall have a seal which shall be in the following form
3. The organization may at its pleasure by a vote of the membership body change its name.

ARTICLE II
PURPOSES

1. The following are the purposes for which this organization has been organized:

To promote, beautify and protect the interests and welfare of owners of the property in a tract of land situated in Waller County, Texas, containing 305.0692 acres of land situated in the Jarod Groce Survey, Abstract 30, Waller County, Texas, an unrecorded subdivision prepared and platted by Farmer and Winslow, Inc. Engineers, dated October 1978 and known as Riverwood, Riverwood I and Riverwood II, by maintaining the common properties of the subdivisions beautifying the properties, and in general promoting the best interests of the owners of properties in said addition.

ARTICLE III
OFFICES

1. PRINCIPAL OFFICE: The principal office of the corporation in the State of Texas shall be a Post Office Box in Hempstead, Texas, County of Waller. The address of the principal office may be changed from time to time by the Board of Directors.

ARTICLE IV
MEMBERS

1. MEMBERSHIP: All property owners of Riverwood, Riverwood I and Riverwood II, an addition Jared Groce Survey, Abstract 30, Waller County (hereinafter "Riverwood"), shall be eligible for membership and shall automatically be members in good standing upon payment of the annual property maintenance fee assessment.

2. VOTING RIGHTS: One vote per lot shall be cast by the property owner/owners who are in good standing. When any member shall be default in the payment of fee for a period of three months from the beginning of the period for which such fees become payable, all voting rights are suspended until said members fees are current.

ARTICLE V
MEMBER'S MEETINGS

1. ANNUAL MEETING: The annual meeting of the members shall be held on such date and at such time, beginning with year 1989, during the month of November as designated by the president or Board of Directors. The meeting shall be for the purpose of approving a budget, electing officer/directors who will assume their positions January 1st of the following year, and for the transaction of such other business as may come before the meeting.

2. SPECIAL MEETINGS: Special meetings of the members may be called by the president, by any three (3) members of the Board of Directors, or by not less than one fifth (1/5) of the members having voting rights.

3. NOTICE OF MEETINGS: Written or printed notice stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than three (3) nor more than sixty (60) days before the date of the meeting, either personally or by ~~mail to the residence of each member, by the president, or the~~ secretary, or the officer or persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited postage prepaid in the United States mail, addressed to the member at his address as it appears on the records of the corporation.

4. QUORUM: The members in good standing holding ten percent (10%) of the vote which may be cast at any meeting shall constitute a quorum at any meeting of members; provided; that if less than the members holding one-tenth (1/10) of the votes which may be cast are represented at said meeting, a majority of the members present may adjourn the meeting from time to time without further notice. If a quorum is present, the affirmative vote of the members at the meeting shall be the act of the members.

5. PROXIES: At all meetings of members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. All proxies shall be invalid as of December 31 of the year in which it is signed.

6. VOTING BY BALLOT: In all matters, voting may be oral or by ballot as directed by the presiding officers/directors, provided, however, that any member may demand and require a vote by ballot.

7. SUPERVISION OF MEETINGS: The president shall preside at all meetings of the members. The secretary shall keep or cause to be kept in books provided for that purpose, the minutes of the meetings of the members.

ARTICLE VI
DIRECTORS/OFFICERS

1. GENERAL POWERS: The business and affairs of the corporation shall be managed by its Board of Directors/Officers (hereinafter referred to as "Directors").

2. NUMBER, TENURE AND QUALIFICATIONS: The number of directors which shall constitute the whole board shall be not less than three (3) nor more than ten (10). The first board shall consist of five directors. The directors shall consist of the president, the vice-president, the second vice-president, the secretary, and the treasurer. Thereafter, within the limits above specified, the number of directors shall be determined by resolution of the Board of Directors or by a majority of the members at the annual meeting. The majority of the members may remove any or all directors at any time for any reason, without notice. The director (s) shall be elected at the annual meeting of the members, except as provided in Section 7 of this article, and each director elected shall hold office until his successor is elected and qualified, except as provided in this section. Directors must be members in good standing. A husband and wife may not serve simultaneously as Directors of the corporation. Newly elected directors will take office on January 1st following the annual meeting, holding a term of two years.

3. REGULAR MEETING: A regular meeting of the Directors shall be held without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of members; thereafter, the Directors shall meet every two (2) months at a time, place, and date selected by the president.

4. SPECIAL MEETINGS: Special meetings of the Directors may be called by or at the request of the president or vice-president. Notice of a special meeting shall be given at least forty-eight (48) hours before the meeting by written or oral notice delivered personally, by telephone, or by mail to each director at his home address.

5. QUORUM: A majority of the number of directors fixed by these bylaws shall constitute a quorum for transaction of business at any meeting of the Directors, provided that, if less than a majority of such number of directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

6. MANNER OF ACTION: The act of the majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

7. VACANCIES: Vacancies and newly created directorships resulting from an increase in the authorized number of directors may be filled by a quorum vote of the existing Board of Directors, and the directors so chosen shall hold office until the next annual election and until their successors are duly

elected and shall qualify, unless soon displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

8. COMMITTEES: A quorum of the Board of Directors shall be empowered to appoint committees for the corporation as deemed necessary.

9. COMPENSATION: Beginning January 1989, all Board of Directors shall be compensated for each year of his/her term with the credit of one year's maintenance fee for one lot only.

10. PRESIDENT: The president shall be the chief executive and principal operating officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He/She may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, membership certificates of the corporation which the Board of Directors has authorized to be issued, any contract, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties as may be prescribed by the board of Directors from time to time or as from time to time may be assigned to him/her by the Board of Directors.

11. VICE PRESIDENT: In the absence of the president or in the event of his inability or refusal to act, the vice president shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

12. SECOND VICE PRESIDENT: In the absence of the president and vice president or in the event of his inability or refusal to act, the second vice president shall perform the duties of the president and vice president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president and vice president. The second vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

13. TREASURER: If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall:

(A) Have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be elected in accordance with the provisions of Article VII of these bylaws;

(B) In general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

14. SECRETARY: The secretary shall:

(A) Keep the minutes of the members' and of the Board of Directors' meetings in one or more books provided for that purpose;

(B) See that all notices are duly given in accordance with the provisions of these bylaws or as required by law;

(C) Be custodian of the corporate records and of the seal of the corporation.

(D) Keep a register of the post office address of each member which shall be furnished to the secretary by such member;

(E) In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or the Board of Directors.

ARTICLE VII

CONTRACTS, CHECKS, LOANS, DEPOSITS, AND GIFTS

1. ~~CONTRACTS:~~ The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. LOANS: No loans shall be contracted on behalf of the corporation.

3. CHECKS, DRAFTS, ETC.: All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

4. DEPOSITS: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

5. GIFTS: The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or device for the general purposes for any special purpose of the corporation.

ARTICLE VIII
BOOKS, RECORDS AND ANNUAL AUDIT

1. **BOOKS AND RECORDS:** The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member in good standing or his agent or attorney for any proper purpose at any reasonable time.

2. **ANNUAL AUDIT:** An annual audit of the fiscal affairs, books of records, fiscal year transactions and statement of income and expenses for the fiscal year and statement of condition as of December 31 shall be conducted annually, or as prescribed by the State of Texas, by an auditing committee of two members of the corporation appointed by majority vote of the Board of Directors. Such audit report shall be submitted at the annual meeting of the corporation. Other interim audits may be performed as directed by the Board of Directors.

ARTICLE IX
FEEES

1. **PROPERTY MAINTENANCE FEES:** The Board of Directors may ~~recommend the amount of Property Maintenance fee at the Annual Meeting to be voted on by all members in good standing.~~

2. **PAYMENT OF FEES:** Fees shall be payable to the corporation upon receipt of invoice.

ARTICLE X
FISCAL YEAR

1. **FISCAL YEAR:** The fiscal year of the corporation shall end on the last day of December and begin on the first day of January in each year.

ARTICLE XI
WAIVER OF NOTICE

1. **WAIVER OF NOTICE:** Whenever any notice whatever is required to be given under the provisions of these bylaws or under the provisions of the articles of incorporation or under the provisions of the Texas Non-Profit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII
AMENDMENTS

1. AMENDMENTS: These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority vote of members in good standing present at any regular meeting or at a special meeting, of prior notice is given of an intention to alter, amend or repeal these bylaws or to adopt new bylaws at such meeting.