

BYLAWS OF
MOUND CREEK PROPERTY OWNERS ASSOCIATION, INC.,
A NON-PROFIT CORPORATION

5311 Kirby Drive, Suite 201
Houston, Texas 77019

ARTICLE I.

PURPOSES

1.01 The corporation is organized for the purpose of transacting any and all lawful business for which non-profit corporations may be incorporated under the Texas Non-Profit Corporation Act and to protect and promote the residential and recreational environment of all of Mound Creek Subdivision through maintenance and enforcement of the property restrictions adopted for the development.

ARTICLE II.

OFFICES

2.01 Principal Office. The principal office of the corporation in the State of Texas shall be located in the City of Houston, County of Harris. The corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

2.02 Registered Office and Registered Agent. The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III.

MEMBERS

3.01 Members. Membership in this organization shall be determined by the ownership of lots within Mound Creek Subdivision as shown on the records of the Association.

3.02 Voting Rights. Each lot or tract shall be entitled to one (1) vote. If any home site consists of less than one entire lot or tract, then the word "lot" or "tract" as used within these bylaws and the restrictions shall mean such home site, not the entire lot or tract. Failure to report to the Board of Directors a transfer of ownership by the new owner shall cause the loss of all voting rights until reported.

3.03 Termination of Membership. Sale of any lot or tract shall terminate membership.

3.04 Reinstatement. Failure to comply with the restrictions including the payment of monthly maintenance fees shall cause the loss of the right to vote on any issue before the membership. Such loss of voting right shall be determined by the Board of Directors.

3.05 Transfer of Membership. Membership in this corporation is not transferable or assignable. Sale of the property to another shall however effect a transfer, provided however, such transfer of ownership is reported to the Board of Directors.

ARTICLE IV.

MEETINGS OF MEMBERS

4.01 Regular Annual Meeting. An annual meeting of the members shall be held on the 14th day of September in each year, beginning with the year 1978, at the hour of seven o'clock (7:00), P.M., for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as possible. The Secretary shall cause to be mailed to every member in good standing at his address as it appears in the membership roll book of this organization a notice telling the time and place of such annual meeting.

4.02 Special Meeting. Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth of the members having voting rights.

4.03 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Texas; but if all of the members shall meet at any time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

4.04 Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of members shall 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 President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these bylaws, the purpose or purposes for which the meeting is called shall 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 address as it appears on the records of the corporation, with postage thereon prepaid.

4.05 Informal Action by Members. Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

4.06 Quorum. The members holding sixty six and two-thirds percent (66 2/3%) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting for a period of not more than six (6) weeks from the date scheduled by these bylaws and the secretary shall cause a notice of this scheduled meeting to be sent to all those members who were not present at the meeting originally called. A quorum as hereinabove set out shall be required at any adjourned meeting.

4.07 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 shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

4.08 Voting. At all meetings except for the election of Officers and Directors, all votes shall be viva voce. At any regular or special meeting, if a majority so requires, any question may be voted upon in the manner and style provided for election of Officers and Directors. At all votes by ballot the chairman of such meeting shall immediately prior to the commencement of balloting appoint a committee of three who shall act as "Inspectors of Election" and who shall at the conclusion of such balloting certify in writing to the Chairman the results and the certified copy shall be physically affixed in the minute book to the minutes of that meeting. No inspector of election shall be a candidate for office or shall be personally interested in the question voted upon.

4.09 Voting by Mail. Where Directors or Officers are to be elected by members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

ARTICLE V.
ORDER OF BUSINESS

- 5.01 Roll Call.
- 5.02 Reading of the Minutes of the Preceding Meeting.
- 5.03 Reports of Committees.
- 5.04 Reports of Officers.
- 5.05 Old and Unfinished Business.
- 5.06 New Business.
- 5.07 Good and Welfare.
- 5.08 Adjournments.

ARTICLE VI.
BOARD OF DIRECTORS

6.01 General Powers. The affairs of the corporation shall be managed by its Board of Directors. At least one of the Directors shall be a resident of the State of Texas and a citizen of the United States.

6.02 Functions of Initial Board of Directors. The initial Board of Directors shall perform the following functions: (a) act as representatives of all of the property owners in Mound Creek to insure against depreciation of property values; (b) collect and expend, in the interest of the subdivision as a whole, the maintenance charges as created in the Declaration of Restrictions for Mound Creek; (c) enforce, by appropriate legal proceedings, the covenants and restrictions set out in the Declaration of Restrictions for Mound Creek; (d) approve or reject plans and specifications for improvements to be erected in Mound Creek in the manner set out in the Declaration of Restrictions for Mound Creek; (e) keep financial records with respect to maintenance charges collected, which records shall be available for inspection by any lot owner in Mound Creek at all reasonable times; and, (f) do all other acts necessary to preserve, protect and promote the recreational and residential environment of Mound Creek through maintenance and enforcement of the property restrictions.

6.03 Number, Tenure, and Qualifications. The number of Directors shall be three (3). Each Director shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.

6.04 Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the State of Texas, for the holding of additional regular meetings of the Board without other notice than such resolution.

6.05 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Texas, as the place for holding any special meetings of the Board called by them.

6.06 Notice. Notice of any special meeting of the Board of directors shall be given at least five days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

6.07 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

6.08 Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these bylaws. Each Director shall have one vote.

6.09 Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

6.10 Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor.

6.11 Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors.

6.12 Removal of a Director. A Director may be removed when sufficient cause exists for such removal. The Board of Directors may entertain charges against any director. A director may be represented by counsel upon any removal hearing. The Board of Directors shall adopt such rules as it may in its discretion consider necessary for the best interests of the organization, for this hearing.

ARTICLE VII.

SALARIES

7.01 The Board of Directors shall hire and fix the compensation of any and all employees which they in their discretion may determine to be necessary in the conduct of the business of this organization.

ARTICLE VIII.

OFFICERS

8.01 Officers. The Officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. The President of the organization by virtue of his office shall be Chairman of the Board of Directors. The Board of Directors shall select from one of their number a Secretary. Officers shall by virtue of their office be members of the Board of Directors. No officer shall for reason of his office be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or director from receiving any compensation from the organization for duties other than as a director or officer.

8.02 Election and Term of Office. The Officers of the corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

8.03 Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

8.04 Vacancies. A vacancy in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

8.05 President. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

8.06 Vice President. In the absence of the President or in the event of his inability or refusal to act, the vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) 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. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or Board of Directors.

8.07 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 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 selected in accordance with the provisions of Article VII of these bylaws; and 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.

8.08 Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation, and affix the seal of the corporation to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; keep a register of the post-office address of each member which shall be furnished to the Secretary by each member; and, 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 by the Board of Directors.

8.09 Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE IX.

COMMITTEES

9.01 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution shall have and exercise the authority of the Board of Directors in the management of the corporation. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the bylaws; electing, appointing, or removing any member of any such committee or any Director or officer of the corporation; amending the articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him by law.

9.02 Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the President of the corporation shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the corporation shall be served by such removal.

9.03 Term of Office. Each member of a committee shall continue as such until the annual meeting of the members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

9.04 Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

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

9.06 Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

9.07 Rules. Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE X.

CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

10.01 Contracts. The Board of Directors may authorize any officer or Officers, agent or agents of the corporation, 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 corporation. Such authority may be general or confined to specific instances.

10.02 Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or Officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the corporation.

10.03 Deposits. All funds of the corporation 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.

10.04 Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE XI.

BOOKS AND RECORDS

11.01 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 or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE XII.

FISCAL YEAR

12.01 The fiscal year of the corporation shall begin on the first day of January and end on the last day in December in each year.

ARTICLE XIII.

MAINTENANCE FEES

13.01 Monthly Maintenance Fee. The Board of Directors may determine from time to time the monthly fees payable to the Association by the members.

13.02 Payment of Fees. Fees shall be payable as set out in the restrictions filed under Film Code No. 107-98-1277 (in Harris County) for Section I, and filed under Clerk's File No. 103640 (in Waller County) and under Film Code No. 108-85-1823 (in Harris County) for Section II, incorporated herein by reference for all purposes, copies of which are attached hereto as Exhibits A and B respectively.

13.03 Default and Termination of Membership. When any member shall be in default in the payment of monthly maintenance fees for a period of one (1) month from the due date, or period for which such maintenance fees become payable, his voting rights are thereupon suspended automatically by the Board of Directors. Additionally, failure to pay maintenance fees may result in an event of default as set out in the restrictions referred to in Paragraph 13.02.

ARTICLE XIV.

SEAL

14.01 The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "MOUND CREEK PROPERTY OWNERS ASSOCIATION, INC.".

ARTICLE XV.

WAIVER OF NOTICE


15.01 Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the articles of incorporation or the bylaws of the corporation, 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 XVI.

AMENDMENTS TO BYLAWS

16.01 These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least five days' written notice is given of an intention to alter, amend, or repeal these bylaws or to adopt new bylaws at such meeting.

I hereby certify that the foregoing is the form of Bylaws adopted by unanimous written consent of the Directors of the Corporation on September 21, 1978.



TOM E. SMALLEY, SECRETARY