

BY-LAWS

OF

ROLLING HILLS COLONY PROPERTY
OWNERS ASSOCIATION, INC.

ARTICLE ONE

- Sec. I. The name of this corporation shall be Rolling Hills Colony Property Owners' association, Inc., and the period of its duration is perpetual.
- Sec. II. The post office address of its original registered office is 12022 Winwood, Houston, Texas 77024.

ARTICLE TWO

- Sec. I. All persons who are owners of property in Rolling Hills Colony Subdivision, Waller County, Texas, or who are purchasing property in that subdivision under contract of sale with C.C. McMillian, shall be eligible to membership in this Association, provided that such property meets the minimum requirements for a building site as set out in the restrictions on Rolling Hills Colony Subdivision recorded in the Deed Records of Waller County, Texas.
- Sec. II. The membership dues of the Association shall be Twenty-Four and No/100Dollars (\$24.00) (AS OF 2000, CHANGED TO 60.00/ YEAR) per year or for any fractional part of a year. Such membership dues may be increased or reduced by vote of two-thirds (2/3) of the members qualified to vote in person or by proxy at any regular meeting or special meeting of the members, provided that such increase or reduction shall first be approved in writing by C.C. McMillian, and by a majority of the Board of Directors and notice of such proposed increase or reduction shall be included in the notice of the meeting.
- Sec. III. Annual membership dues shall be payable in advance, either quarterly, semiannually, or annually, beginning on January 1, 1978, and shall be delinquent if not paid within thirty (30) days after the due date.
- Sec. IV. The husband or wife of a member and all minor children of a member shall have all of the privileges or membership except the right to vote.
- Sec. V. Each member shall have on (1) vote regardless of the number of lots or tracts which such member owns or may be purchasing under contract of sale from C.C. McMillian In the event title to a lot or tract is taken or the contract of sale is issued to more than one person, there shall be only one (1) vote for each such lot, lots, or tracts.
- Sec. VI. All privileges of membership including the right to use the property and facilities of the association and right to vote shall be suspended if any member shall fail to pay the membership dues as herein provided and all of such rights and privileges shall remain suspended until such member has paid the dues assessed by the Association.
- Sec. VII. In the event of sale by any property owner of all of his interest in property in Rolling Hills Colony Subdivision, his membership in this Association shall terminate but he shall not be entitled to refund of any part of the dues theretofore paid. The purchaser of such property shall be eligible for membership, subject to all conditions and limitations of these By-Laws, including the obligation to pay dues for the then current year.
- Sec. VIII. All of the owners of property in Rolling Hills Colony Subdivision who have paid the current annual dues to the Association shall have the right to use all of the facilities and property belonging to the Association subject to these By-Laws and the rules and regulations established pursuant thereto and to vote in the elections of Directors or on any other issue affecting the Association.
- Sec. IX. Use of the facilities and property of the Association shall be restricted to members whose current dues to the Association have been paid including the spouse and minor children of such members together with guests of members when accompanied by a member.
- Sec. X. The Board of Directors shall cause to be issued certificates or cards or other evidence of membership to members whose current annual dues have been paid, such evidence of

membership to be in the manner and form selected from time to time by the Board of Directors. Acceptance by a member of such evidence of membership shall constitute acceptance of and consent to these By-Laws.

ARTICLE THREE

- Sec. I. Two regular meetings of the members shall be held each year at such place in Rolling Hills Colony Subdivision, Waller County, Texas, as may be from time to time designated by the Board of Directors. The Spring meeting shall be held on the 1st Sunday in May of each year and Fall Meeting shall be held on the last Sunday in October of each year.
- Sec. II. Written notice of each regular meeting stating the place, day and hour thereof shall be delivered by the Secretary to each member not then in arrears in any dues to the Association, or sent by mail addressed to such member at his residence or place of business as the same shall appear on the records of the Association at least ten (10) days prior to the meeting.
- Sec. III. Special meetings of the members may be called by the President or a majority of the Board of Directors or on petition of 20 members not then in arrears in payment of dues to the Association. Written notice of such meeting state in the place, day and hour thereof shall be given by the Secretary at least ten (10) days prior to the date of the meeting to each member whose dues are not in arrears to the Association at the address shown on the records of the Association. Such meeting shall be held at a place in Rolling Hills Colony specially named in the notice. Only such business may be transacted at such special meeting as in specified in the written notice.
- Sec. IV. A quorum for the transaction of business at any regular or special meeting of the members shall be 20 qualified voting members or 10% of all of the qualified voting members whichever is less.

ARTICLE FOUR

- Sec. I. the order of business at any regular or special meeting of the members shall be as follows:
- (1) The meeting shall be called to order by the President or Vice-President or by a temporary presiding Chairman;
 - (2) Call of the roll of members and;
 - (3) Reading of any unapproved minutes of previous meetings and considering and approving the same;
 - (4) Reports of officers and employees;
 - (5) Reports of committees;
 - (6) Completion of unfinished business and election of Directors;
 - (7) New Business;
 - (8) Adjournment.

ARTICLE FIVE

- Sec. I. The corporate powers of this Association shall be vested in a Board of Directors to consist of Nine (9) members all of whom shall be duly qualified voting members of the Association. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business.
- Sec. II. At the first meeting of the members following the adoption of these By-Laws, nine (9) Directors shall be elected by vote of the qualified voting members present in person or by proxy. After such election, the nine (9) so elected shall be divided by lot into three groups of three (3) members each. The first group shall serve for a term on (1) year, the second group for a term of two (2) years and the third group for a term of three (3) years. Thereafter, three Directors shall be elected at each fall meeting of the members for the positions of the three (3) Director so elected shall serve for a term of three (3) years and until his successor shall have been duly elected and qualified.
- Sec. III. A separate vote shall be taken for each director to be elected and in the event no candidate receives a majority of the total votes cast, the two candidates receiving the largest number of votes shall then be voted upon and the one receiving the majority of the votes cast in such run-off election shall be declared elected.

- Sec. IV. The directors of the Association shall be members in good standing of the Association; and in the event any Director sells or otherwise disposes of his interest in property in Rolling Hills Colony Subdivision or becomes delinquent in the payment of dues to the Association, he shall no longer be qualified to act as a Director of the Association; and his office as Director shall be deemed vacant.
- Sec. V. Vacancies in the Board of Directors shall be filled at the expiration of the regular term of the Director whom he has succeeded.
- Sec. VI. The Board of Directors may from time to time establish rules and regulations for the use of the facilities and property of the Association by its members; provided that such original rules and regulations must first be approved by C.C. McMillian and by a majority of the qualified voting members of the Association present in person or by proxy at a regular or special meeting of the members.
- Sec. VII. Subject to the prior written approval by C.C. McMillian, such rules and regulations may be amended by the Board of Directors, and amendments shall be effective from and after the adoption by the Board of Directors, but shall be submitted to the next regular or special meeting of the members for approval; and unless such amendment is approved by a majority of the qualified members of the Association present and voting in person or by proxy at such meeting, such amendment shall be thereafter void and of no effect.

ARTICLE SIX

- Sec. I. There shall be two (2) regular meetings of the Board of Directors each year. One of such meetings shall be held as soon as convenient after the spring meeting of the members and the other as soon as convenient after the fall meeting of the members.
- Sec. II. The officers of the Association shall be elected by the Board of Directors at its fall meeting and shall hold office for a term of one (1) year or until their respective successors are elected and qualified.
- Sec. III. Special meetings of the Board of Directors shall be held upon request of the President or of a majority of the Board of Directors. Written notice of such special meeting shall be given by the Secretary to each member of the Board of Directors at his address as shown on the records of the Association at least ten (10) days prior to such special meeting, provided that such notice may be waived in writing by any or all of the members of the Board of Directors.
- Sec. IV. The notice of special meetings of the Board of Directors shall specify the business to be transacted at such meeting and no business not so specified in the notice of the meetings shall be transacted; provided that if all of the members of the Board of Directors are present, any other matters not specified in the notice of the meeting may be considered and acted upon.
- Sec. V. In the event of failure to hold the annual election of the Directors at the time specified, it shall be the duty of the President and Secretary to notify the members and to cause an election to be held as soon thereafter as it may be conveniently done, and should such election not be held within a reasonable time after the date set for such election in these by-laws, such meeting and election shall be called at written request of five (5) members of the Association.

ARTICLE SEVEN

- Sec. I. The order of business at a regular or special meeting of the Board of Directors shall be as follows:
- (1). A quorum being present, the President shall call the meeting to order;
 - (2). Reading of minutes of last meeting, and considering and approving of the same;
 - (3). Reports of officers and employees;
 - (4). Considering of communications;
 - (5). Reports of committees.
 - (6). Unfinished business;

- (7). Election of new officers;
- (8). New business;
- (9). Adjournment.

ARTICLE EIGHT

The elective officers of the Association shall consist of a President, one or more Vice-Presidents, Secretary and Treasure. The officers of the corporation shall be elected annually by the Board of Directors at the fall meeting of the Board of Directors held after the fall meeting of members. Each officer shall hold office for a term of one (1) year until his successor shall be duly elected and shall have qualified or until his death or until he shall resign. All elective officers of the Association shall be members in good standing of the Association and in the event any officer sells or otherwise disposes of his property in Rolling Hills Colony Subdivision, he shall no longer be qualified to act as an officer.

ARTICLE NINE

The President shall preside at all meetings of the Board of Directors and of the members at which he may be present. He shall have general responsibility for the business affairs of the Association subject to control of the Board of Directors. He shall sign with the Secretary all certificates of other evidence of membership, and he is hereby authorized to execute such contracts or instruments in writing, which he may be authorized from time to time by the Board of Directors to execute. The President shall perform any other duties which may from time to time be required of him by the Board of Directors. The President may appoint suchstanding or special committees as may be necessary or desired.

ARTICLE TEN

In the absence of the President, or his inability to act, the Vice-President shall perform all of the duties and may exercise any of the powers of the President, subject to the control of the Board of Directors.

ARTICLE ELEVEN

- Sec. I. It shall be the duty of the Secretary to record all of the minutes of all proceedings of the meetings of members and directors in a book kept for that purpose. He shall sign with the President all certificates or other evidence of membership and shall perform such other and further duties from time to time as shall be lawfully directed by said Board of Directors. He shall keep a membership book in which the names and addresses of qualified voting members shall be listed. It shall be the duty of the Secretary to furnish a list of all members entitled to vote to President of the Association prior to the time of any regular or special meeting.
- Sec. II. In the event any member of the Association shall transfer, sell or convey his property in Rolling Hills Colony Subdivision, his membership in the Association shall immediately be cancelled and the person purchasing such property shall, upon approval of the Secretary of the corporation and payment of his initial membership fee, be issued the usual form of membership card or other evidence of membership as may be currently used.
- Sec. III. It shall be the duty of the Treasurer to keep books of account of all funds of the association and to sign with the President or other officer designated by the Board of Directors all checks of the Association and to collect and issue receipts for all payments to the Association members.

ARTICLE TWELVE

- Sec. I. No real or personal property belonging to the Association shall be sold, conveyed or mortgaged without the consent of at least Seventy-Five (75%) Percent of all members entitled to vote.
- Sec. II. No part of the net earnings which the Association may have shall inure to the benefit of any member and in property of, or funds of any kind or character then on hand shall not be transferred to private ownership, but shall pass to and vest in Waller County, Texas.

ARTICLE THIRTEEN

- Sec. I. Neither the officers nor the Directors of the Association shall receive any salary or compensation for services in such capacity. Such officers and Directors however, may upon approval by the board of Directors, receive reimbursement for expenses actually incurred in carrying out the duties of their respective offices except expenses for transportation to or from Rolling Hills Colony Subdivision. Written statements of such expenses shall be presented to the Board of Directors by the officer of Director seeking reimbursement and upon approval of payment by the Board of Directors, such written statements shall be filed with the Secretary of the Association.
- Sec. II. The officers and Directors of the Association may be employed by the Association for services outside the scope of their respective duties as such officers or directors and shall receive such compensation for such services as the Board of Directors may determine proper, provided that no compensation for any such services shall be authorized unless the service to be performed and the compensation to allowed are authorized and approved at a meeting of the Board of Directors before such services are performed.
- Sec. III. Each officer or Director of this Corporation shall be indemnified by the Corporation against all expense (including costs and attorney fees) which may hereafter reasonable be incurred or paid by him in connection with any action, suit, or proceedings to which he may hereafter be made a party by reason of his being or having been such Officers or Director, or by reason of any action or omission, or alleged action or omission (including those antedating the adoption of this By-Law) by him in such capacity, and against any amount or amounts which may be paid by him (other than to this Corporation) in reasonable settlement of any such action, suit, or proceeding, where it is in the interest of Corporation that such settlement be made. In cases where such action, suit, or proceeding shall proceed to final adjudication, such indemnification shall not extend to matters as to which it shall be adjudged that such Officer or Director is liable for negligence or misconduct in the performance of his duties to the Corporation. The right of indemnification herein provided shall not be exclusive of other rights to which any Officer or Director may now, or hereafter be entitled and shall continue as to any person who has ceased to be such Officer or Director, and shall inure to the benefit of the heirs, executors and administrators of any Officer or Director.
- Sec. IV. The approval in writing by C.C. McMillian in any preceding section of the by-laws terminates at the time of his death or upon his resignation or waiver of such approval by him.

ARTICLE FOURTEEN

The foregoing by-laws may be amended, altered or suspended by two-thirds (2/3) vote of all of the members in good standing with the exception of the foregoing Article Twelve (12) which may not be amended or altered without the approval and consent of seventy-five percent (75%) of all members entitled to vote, provided that no such amendment, alteration or suspension prior to January 1, 1983, shall be adopted or become effective without the written approval of C.C. McMillian.

APPROVED this day of _____ - _____, 1977

PRESIDENT

SECRETARY