

BYLAWS

WEDGEWOOD PROPERTY OWNERS ASSOCIATION, INC.

The Bylaws (referred to as the "Bylaws") govern the affairs of Wedgewood Property Owners Association, Inc., a nonprofit corporation (referred to as the "Corporation") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

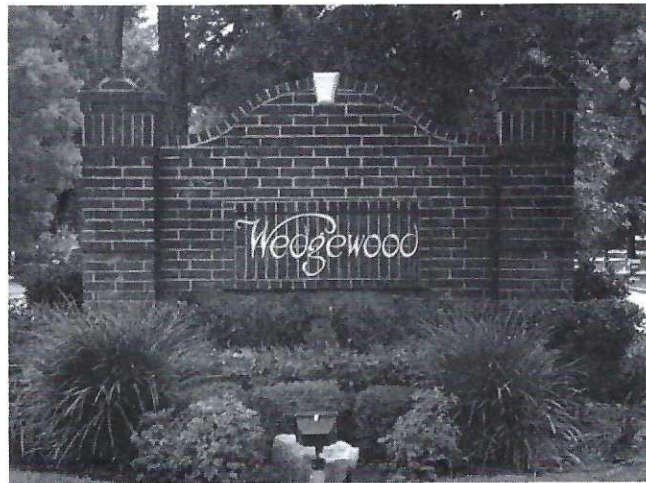


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ARTICLE 1 OFFICES

1.1 PRINCIPAL OFFICE

The principal office of the Corporation in the state of Texas shall be located at Conroe, Montgomery County, Texas. The Corporation may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Corporation. Meetings of Members and the Board of Directors may be held at such places within Montgomery County, Texas as may be designated by the Board of Directors.

1.2 REGISTERED OFFICE AND REGISTERED AGENT

The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE 2 DEFINITIONS

1	Association	shall mean and refer to the Wedgewood Property Owners Association, Inc., its successors and assigns. (See also WPOA below.)
2	Common Area	shall mean all real property owned by the Association for the common use and enjoyment of the Owners of property in the Subdivision.
3	Declarant	shall mean and refer to Wedgewood Development, its successors and assigns if such successors or assigns should acquire the undeveloped Lots from the Declarant for the purpose of development.
4	Lot	shall mean and refer to the lots of land shown upon any recorded map of the Subdivision with the exception of the Common Area.
5	Member	shall mean and refer to those persons entitled to membership in the Association.
6	Owner	shall mean and refer 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 Subdivision, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.
7	Restrictions	shall mean and refer to the Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations and Easements applicable to the Subdivision as filed in the office of the County Clerk of Montgomery County, Texas under Clerk's File Number 8408127 in the Real Property Records.

8	Subdivision	shall mean and refer to that certain real property known as Wedgewood Subdivision, Section 1, as described in the Declaration of Covenants, etc., filed with the County Clerk of Montgomery County, Texas under Clerk's File Number 8408127 in the Real Property Records of Montgomery County, Texas and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
9	WPOA	shall mean and refer to the Wedgewood Property Owners Association, Inc.

ARTICLE 3 QUALIFICATIONS FOR MEMBERSHIP

3.1 MEMBERSHIP

The membership of the Association shall consist of all the owners of the Lots within the Subdivision or brought within the scheme of the Restrictions for the Subdivision pursuant to the provisions and authority of said Restrictions, which is subject to a maintenance charge assessment by the Declaration of assigns including contract purchasers. Additionally, any owner of a lot in the areas known as The Forest of Wedgewood, Wedgewood IV and Wedgewood Estates are eligible to join the Association on a voluntary basis.

The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association under the Restrictions.

3.2 PROOF OF MEMBERSHIP

The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of a Lot or Lots in the Subdivision. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

3.3 NO ADDITIONAL QUALIFICATION

The sole qualification for membership shall be ownership of a Lot or Lots in the Subdivision. No initiation fees, costs or dues shall be assessed against any person as a condition of membership except such assessments, levies and charges as are specifically authorized under the Restrictions.

3.4 CERTIFICATES OF MEMBERSHIP

The Board of Directors may provide for the issuance of certificates evidencing membership in the Council which shall be in such form as may be determined by the Board. All certificates evidencing membership

shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association and maintained by the Secretary at the registered office of the Association.

ARTICLE 4 VOTING RIGHTS

4.1 VOTING

Voting shall be on a one vote per Lot basis. The owner or owners of each Lot are entitled to one vote for each Lot owned in the Subdivision. If record title to a particular Lot or Lots is in the name of two or more persons, all co-owners shall be Members and may attend any meeting of the Association but the voting rights appurtenant to each such Lot or tract may not be divided and fractional votes shall not be allowed. Any one of said co-owners may exercise the vote appurtenant to each such Lot or tract so owned at any meeting of the Members and such vote shall be binding and conclusive on all of the other co-owners of said Lot or tract who are not present; provided, if one of the non-attending co-owners has given the Association notice of objection to the attending co-owner's vote, no vote shall be cast for said Lot or tract except upon notice of unanimous consent by all such co-owners being given to the Association. In the event more than one vote is cast for a single Lot or tract by an Owner, none of the votes so cast shall be counted and all of such votes shall be deemed void.

4.2 PROXIES

At all meetings by Members each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of his Lot, or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy.

4.3 QUORUM

The presence either in person or by proxy at any meeting of Members entitled to cast at least ten per cent (10%) of the total votes of the Association shall constitute a quorum for any action. In the absence of a quorum at a meeting of Members a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) days nor more than forty-five (45) days from the meeting date.

4.4 REQUIRED VOTE

The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of the Members, unless the vote of a greater number is required by statute.

4.5 CUMULATIVE VOTING

Cumulative voting shall not be permitted during the election of Directors.

ARTICLE 5 MEETING OF MEMBERS

5.1 ANNUAL MEETINGS

The annual meeting of the Association shall be held in February of each year on a time and date to be determined by the Board of Directors. The proposed meeting shall be properly announced. The Board shall have the authority to alter the month of the meeting should the Board deem it necessary.

5.2 SPECIAL MEETINGS

Special meetings of the Members may be called by the President, the Board of Directors, or by Members representing at least ten percent (10%) of the total votes entitled to be cast by the Members.

5.3 PLACE

Meetings of the Members shall be held within the subdivision or at a meeting place as close to the subdivision as reasonably possible.

5.4 NOTICE OF MEETINGS

Notice of annual and/or special meetings of the WPOA shall be at the direction of the Secretary of the Association. Notice may be in writing and delivered via US Mail to all Members of record at least ten (10) days, but not more than fifty (50) days, prior to such meeting; or via appropriate signs at both entrances to the Wedgewood Subdivision for at least ten (10) days prior to the meeting.

5.5 ORDER OF BUSINESS

The order of business at all meetings of the Members shall be set by the President. It must include opportunity for discussion and action on both "old" and "new" business thereby allowing any Member who is eligible to vote a platform at the meeting.

(Remainder of page reserved.)

ARTICLE 6 BOARD OF DIRECTORS

6.1 NUMBER

The affairs of the Association shall be managed by a Board of Directors consisting of five (5) elected members all of whom must be Members of the Association who are not in default of any fees owed to the Association. At least three (3) of those shall be designated at the time of their nomination to fill the offices of the Association as prescribed by the bylaws. (See § 10.1.)

6.2 TERM

Directors of the Association shall be elected at the annual meeting by a majority of the Members present provided that said Members are not in default of any fees owed to the Association. The term of each director shall be one year.

6.3 REMOVAL

Directors may be removed from office with or without cause by a majority vote of the Members of the Association at a special meeting which was called in accordance with these bylaws.

6.4 VACANCIES

In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall by majority vote elect a successor who shall serve for the unexpired term of his predecessor.

6.5 COMPENSATION

No Director shall receive compensation for any service he may render to the Association. A Director may however be reimbursed by the Board for actual expenses incurred by the Director in the performance of his duties. (See § 10.2 below.)

6.6 POWERS AND DUTIES

The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in these Bylaws or as set forth in the Articles of Incorporation of the Association. In addition the Board of Directors shall have the powers and following duties.

- 1) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special

meeting when such a statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote.

- 2) Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.
- 3) As more fully provided in the Restrictions to:
 - a) Fix the amount of the annual maintenance fund against each Lot at least thirty (30) days in advance of each annual assessment period; provided however, the Board of Directors may not without the consent of the majority of the voting Members at the annual meeting, fix the annual maintenance or other assessment against each Lot in excess of seventy-five dollars (\$75) per year.
 - b) Send written notice of each assessment to every Member at least thirty (30) days in advance of each annual assessment period.
 - c) The Board at their discretion and good judgment may foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- 4) Issue, or to cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- 5) Procure and maintain, if possible adequate liability and hazard insurance on property owned by the Association.
- 6) Cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate.
- 7) Cause the common area to be maintained.
- 8) Cause the Restrictions of the Subdivision to be enforced and administered.
- 9) Employ such accountants, attorneys, contractors or other persons or entities as they deem necessary to manage and administer the affairs of the Association.
- 10) Manage the affairs of the Association.

Directors shall exercise ordinary business judgment in managing the affairs of the Association. Directors shall act as fiduciaries with respect to the interests of the Members. In acting in their official capacity as Directors of this Association, Directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Association and that are not unlawful. In all other instances the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Association's best interest or would be unlawful. A Director shall not be liable if in the exercise of ordinary care the Director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Association.

6.7 ACTIONS OF BOARD OF DIRECTORS

The Board of Directors shall try to act by consensus. However, the vote of a majority of Directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a Director who is represented by proxy in a vote is considered present.

ARTICLE 7 NOMINATION AND ELECTION OF DIRECTORS

7.1 NOMINATION

Nomination for election to the Board of Directors shall be made by a Nominating Committee and increased as herein set forth.

7.2 NOMINATING COMMITTEE

The Board shall at its discretion appoint a nominating committee or may choose to act in that capacity. All nominees for election to the Board must be contacted and agree to serve prior to the annual meeting. A nominee must not be in default of any fees owed to the Association. Nominations from the membership will be allowed at the annual meeting. Nominations shall be allowed only from Members who are not in default of any fees owed to the Association. A nomination from the floor will not require a second.

7.3 NOMINATIONS

The Nominating Committee shall announce the names of the nominees at the annual board meeting. No Member shall be nominated by the Nominating Committee who has served three (3) consecutive terms of office prior to the year of nomination; however, a Member who is not a current Director may make such a nomination; and, if elected, that Member may serve at the pleasure of the majority of the voting Members.

7.4 ELECTION

Directors are elected at the annual meeting of Members. Members or their proxies may cast votes in accordance with the provisions of these bylaws. The nominee receiving the highest number of votes shall be elected.

(Remainder of page reserved.)

ARTICLE 8 MEETING OF DIRECTORS

8.1 REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held semi-annually at such place and time as may be fixed by resolution of the Board. Notice of the time and place of such meetings shall be delivered to each Member of the Board of Directors not less than three (3) days nor more than thirty (30) days before the date of the meeting.

8.2 SPECIAL MEETINGS

Special meetings of the Board shall be held when called by the President. Each Member must be notified at least three (3) days prior to the meeting unless all Members are in agreement as to the time and place of the special meeting.

8.3 QUORUM

A quorum for the transaction of business by the Board shall be a majority of the number of Directors constituting the Board as fixed by these bylaws.

8.4 VOTING REQUIREMENT

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 unless any provision of the Articles of Incorporation or these Bylaws requires the vote of a greater number.

8.5 OPEN MEETINGS

Regular and special meetings of the Board shall be open to all Members of the Association provided however that Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

8.6 EXECUTIVE SESSION

The Board, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and other business of a confidential nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE 9 COMMITTEES

9.1 APPOINTED BY BOARD OF DIRECTORS

The Board of Directors shall appoint such committees as are required by the Restrictions. The Board may from time to time establish and appoint to such other committees as it shall deem necessary and advisable to assist the Board in the general operation and management of the Association. The Chairman and all Members of each such committee must be a Member of the Association.

9.2 AUTHORITY OF COMMITTEES

The Board of Directors may grant to any committee thus established by the Board such authority and power consistent with these Bylaws as the Board shall deem required to carry out the intended purposes and functions of such committee.

9.3 DISCHARGE OF COMMITTEES AND COMMITTEEMEN

The Board of Directors may discharge any committee established by the Board and may remove and replace any committeemen appointed to any committee.

(Remainder of page reserved.)

ARTICLE 10 OFFICERS

10.1 ENUMERATION OF OFFICERS

The Officers of the Association (who shall at all times be members of the Board of Directors) shall be:

- President.
- Vice-President.
- Secretary.
- Treasurer.

The Board of Directors may by resolution create such other officers as it deems necessary or desirable.

10.2 COMPENSATION

No Officer shall receive compensation for any service he may render to the Association. (See § 6.5 above.)

ARTICLE 11 ELECTION AND DUTIES OF OFFICERS

11.1 PRESIDENT

The office of President shall be elected by a majority of the eligible voters present at the annual meeting.

11.1.1 DUTIES

The President shall:

- 1) Preside over all meetings of the Members and of the Board.
- 2) Sign as President all legal instruments which have been approved by the Board.
- 3) Call meetings of the Board whenever he deems it necessary in accordance with the rules of these Bylaws.
- 4) The President shall have, subject to the advice of the Board, general supervision, direction and control of the Association.

11.2 VICE-PRESIDENT

The office of the Vice-President shall be elected by a majority of the eligible voters present at the annual meeting.

11.2.1 DUTIES

(This section reserved.)

11.3 SECRETARY

The office of Secretary shall be elected by a majority of the eligible voters present at the annual meeting.

11.3.1 DUTIES

The Secretary shall:

- 1) Keep a record of all meetings and proceedings of the Board and Association.
- 2) Keep current records showing Members of this Association along with their addresses.
- 3) Sign as Secretary all legal instruments which have been approved by the Board.

11.4 TREASURER

The office of Treasurer shall be elected by the Board at or immediately following the annual meeting.

11.4.1 DUTIES

(This section reserved.)

(Remainder of page reserved.)

ARTICLE 12 RECORDS AND BOOK

- 1) Complete and correct records of all proceedings and actions of the Board shall be kept by the Secretary of the Association unless otherwise directed by the Board.
- 2) The following documents shall be available for inspection and copying by any Member of the Association upon reasonable request:
 - a) Restrictions of the Subdivision,
 - b) Articles of Incorporation,
 - c) Bylaws of the Association,
 - d) Membership register,
 - e) Books of account, and
 - f) Minutes of proceedings.

ARTICLE 13 AMENDMENTS

These Bylaws may be modified, revised, altered, amended, or repealed and new Bylaws adopted by a majority vote of the eligible Members present or voting by proxy at any annual meeting.

ARTICLE 14 ATTESTATION

These By-Laws were adopted on 13 February 2007 by a majority vote of the eligible Members voting at the annual meeting of the Association at which a quorum of the eligible Members were present or voting by proxy.

Michael L. Davis

Dr. Michael L. Davis, President

Larry Crutcher

Larry Crutcher, Secretary

End of Bylaws