

BYLAWS OF
NORTHFIELD SECTIONS ONE AND TWO
PROPERTY OWNERS ASSOCIATION
D.B.A. NORTHFIELD I & II CIVIC CLUB

ARTICLE I
BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office. The property and affairs of the corporation shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, by the Articles of Incorporation or by these Bylaws, the Board of Directors shall exercise all of the powers of the corporation.

The number of directors shall be fourteen (14), but the number of directors may be increased or decreased (providing such decrease does not shorten the term of any incumbent director) from time to time by amendment to these Bylaws, provided the number of directors shall never be less than three.

The directors constituting the initial Board of Directors shall be those directors named in the Articles of Incorporation of the corporation, who shall hold office until the first annual meeting of members and until their successors shall have been elected and qualified or until their resignations or removal as hereinafter provided.

Any director may be removed from office, with or without cause, by a majority vote of all of the directors of the corporation or by a majority vote of the members at any meeting at which a quorum (as defined in Section 6 of this Article I) is present. Any vacancy occurring in the Board of Directors may be filled in by the affirmative vote of a majority of the directors then in office though less than a quorum of the Board of Directors. In case of any increase in the number of directors the additional directors shall be elected at an annual meeting or at a special meeting of the members called for that purpose.

Section 2. Meeting of Directors. The directors may hold their meetings and may have an office and keep the books of the corporation at such place or places in the State of Texas, or outside the State of Texas, as the Board of Directors may from time to time determine, provided, however, in the absence of any such determination by the Board of Directors, the meetings shall be held at the registered office of the corporation in the State of Texas.

Section 3. Annual Meeting. The Annual Meeting of the Board of Directors shall be held at the office of the corporation at 8:00 p.m. on the fourth Monday in January of each year, if not a legal holiday, and, if a legal holiday, then on the next succeeding business day, for the purpose of electing officers for the ensuing year and to transact such other business as may be brought before such meeting. No notice of the Annual Meeting shall be necessary.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated, from time to time, by resolution of the Board of Directors. Notice of any such regular meeting shall not be required.

Section 5. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or by the Secretary or by a majority of the directors for the time being in office.

The Secretary shall give notice of each such special meeting to each director in person, or by mail or telegraph, at least two (2) days before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the corporation may be considered and acted upon at a special meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purposes of the corporation may be considered and acted upon.

Section 6. Quorum. A majority of the directors fixed by the Bylaws shall constitute a quorum for the consideration of matters pertaining to the purposes of the corporation, but if at any meeting of the Board of Directors there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the directors present at the meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, except as otherwise provided by these Bylaws.

Section 7. Order of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the corporation shall be considered in such order as from time to time the Board of Directors may determine.

At all meetings of the Board of Directors, the President shall preside, and in the absence of the President, a Director appointed by the meeting shall preside.

The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 8. Executive Committee. The Board of Directors may, by resolution passed by a majority of the whole Board, designate two or more directors to constitute an Executive Committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the affairs of the corporation except where action of the Board of Directors is specified by statute. The Executive Committee shall act in the manner provided in such resolution. The Executive Committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office of the corporation and shall report the same to the Board of Directors from time to time.

Section 9. Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services.

ARTICLE II MEMBERS AND VOTING RIGHTS

Section 1. Definitions. The terms "Owner", "Assessable Tract", "Charter", "Member", "Class A Member", "Class B Member", "Lot", "Living Unit" and "Declaration" shall have the same meanings as they are defined in that certain Declaration of The Charter Associates, Inc. covering Fondren Southwest Northfield Sections One and Two approved by the Directors of the corporation in a Consent dated November 21, 1972.

Section 2. Membership. The Owner of each Assessable Tract, during the period of his ownership, shall automatically be a Class A Member of the corporation. Charter, whether or not it is the Owner of an Assessable Tract, shall be the sole Class B Member.

Section 3. Annual Meeting. The Annual Meeting of the Members shall be held at 7:30 p.m. on the fourth Monday in January of each year, if not a legal holiday, and, if a legal holiday, then on the next succeeding business day, for the purpose of electing directors. Any business may be transacted at an Annual Meeting, except as otherwise provided by law or by these Bylaws.

Section 4. Special Meeting. A Special Meeting of the Members may be called at any time by at least 35% of the Class A Members, by the Class B Member, by the Board of Directors, or by the President. Only such business shall be transacted at a special meeting as may be stated or indicated in the notice of such meeting.

Section 5. Notice. Written or printed notice stating the place, day and hour of each meeting of Members and, in the case of a Special Meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each Member of record entitled to vote at such meeting.

Section 6. Quorum. The presence at a meeting in person or by proxy of Members entitled to cast thirty-five percent (35%) of all the votes of each class of Members with voting privileges shall constitute a quorum. Except as otherwise required by law, the Articles of Incorporation, these Bylaws, or the Declaration, the affirmative vote of greater than 50% of the voting power present at any meeting shall be the act of the Members' meeting. If the required quorum is not present at any meeting called to act on any matter,

Either: (1) The outstanding votes shall be voted as the Board of Directors recommends, if so stated on the proxy.

or (2) If the Board of Directors have made no recommendation on the proxy statement, another meeting may be called to act on the same matter, subject to the notice requirement set forth in Section 5 above, and the required quorum at any such subsequent meeting

shall be one-half (½) of the required quorum at the preceding meeting, except that such reduction in the quorum requirements shall not be applicable if the subsequent meeting is held more than sixty (60) days following the preceding meeting.

Section 7. Proxies. At all meetings of Members, a Member may vote either in person or by proxy executed in writing by the Member or 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. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law.

Section 8. Voting Rights. The corporation shall have the following class or classes of voting membership with the following rights:

Class A: The Owners of the Assessable Tracts shall be the Class A Members, and by virtue of such membership, the Owner of each Assessable Tract shall be entitled to one vote in the corporation. There shall be no fractional votes. When the Owner of an Assessable Tract consists of more than one person or entity, they shall designate one of their number to cast their one vote with respect to such Assessable Tract.

Class B: Charter shall be the sole Class B Member, and, by virtue of such membership, shall be entitled to the same number of votes in the corporation as the aggregate votes of the Class A Members, plus one hundred (100) additional votes. The Class B membership shall terminate at midnight on December 31, 1982, or at the time when seventy-five percent (75%) of the Lots have become Assessable Tracts upon which are Living Units occupied as residences, whichever event occurs earlier.

Section 9. Officers. The President shall preside at and the Secretary shall keep the records of each meeting of Members. In the absence of the President or Secretary, his duties shall be performed by some person appointed by the meeting.

ARTICLE III OFFICERS

Section 1. Titles and Term of Office. The officers of the corporation shall be a President (who shall be a director), one or more Vice Presidents (if any be elected by the Board of Directors), a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect or appoint. One person may hold more than one office, except that the President shall not hold the office of Secretary.

The term of office for all officers shall be one (1) year from the date of vote by the Board of Directors.

All officers shall be subject to removal, with or without cause, at any time by a vote of a majority of the whole Board of Directors.

A vacancy in the office of any officer shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the President. The President shall preside at all meetings of the membership and of the Board of Directors; shall be the chief executive officer of the corporation; and, subject to the Board of Directors, he shall be in general charge of the properties and affairs of the corporation; and in furtherance of the purposes of this corporation, he may sign and execute all bonds, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the corporation.

Section 3. Vice Presidents. Each Vice President shall have such powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers of the President during that officer's absence or inability to act. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Section 4. Treasurer. The Treasurer shall have custody of all the funds and securities of the corporation which come into his hands. When necessary or proper, he may endorse, on behalf of the corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board of Directors; he may sign all receipts and vouchers for payments made to the corporation, either alone or jointly with such other officer as is designated by the Board of Directors; whenever required by the Board of Directors, he shall render a statement of his cash account; he shall enter or cause to be entered regularly in the books of the corporation to be kept by him for that purpose full and accurate accounts of all moneys received and paid out on account of the corporation; he shall perform all acts incident to the position of Treasurer subject to the control of the Board of Directors; and he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Section 5. Assistant Treasurer. Each Assistant Treasurer shall have the usual powers and duties pertaining to his office, together with such other powers and duties as may be assigned to him by the Board of Directors. The Assistant Treasurer shall exercise the powers of the Treasurer during that officer's absence or inability to act.

Section 6. Secretary The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the membership in books provided for that purpose; he shall attend to the giving and serving of all notices; in furtherance of the purposes of this corporation, he may sign with the President in the name of the corporation, and/or attest the signature thereto, all contracts, conveyances, franchises,

bonds, deeds, assignments, mortgages, notes and other instruments of the corporation; he shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities of which the treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to the inspection of any director upon application at the office of the corporation during business hours; and he shall in general perform all duties incident to the office of Secretary subject to the control of the Board of Directors.

Section 7. Assistant Secretaries. Each Assistant Secretary shall have the usual powers and duties pertaining to his office, together with such other powers and duties as may be assigned to him by the Board of Directors or the Secretary. The Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or inability to act.

Section 8. Compensation. Officers shall receive such salary or other compensation for their services as the Board of Directors may from time to time determine.

ARTICLE IV MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the corporation shall be as determined by the Board of Directors.

Section 2. Seal. The seal of the corporation shall be such as from time to time approved by the Board of Directors.

Section 3. Notice and Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of these Bylaws, said notice shall be deemed to be sufficient if given by depositing same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the books of the corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. Resignations. Any director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Indemnification Clause. The corporation shall indemnify any director, officer or employee or former director, officer or employee, or any person who may have served at the request of the director, officer or employee with proper authorization against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgments in connection with any action, suit or proceeding, whether civil or criminal in

nature, in which he is made a party by reason of being or having been such a director, officer or employee except in such matters in which he's adjudged for willful misconduct or gross negligence in the performance of his duty. This indemnification clause also applies to any costs of settlement of any such action, suit or proceeding if said settlement shall be found by a majority of the directors in a regular session vote that it was in the interest of the association to settle said claim and so long as the director, officer, employee or authorized person did not act with misconduct or gross negligence in performing his duty.

Section 6. Capital Expenditures. Any capital expenditure of \$8,000.00 or more must be approved by a vote of a majority of homeowners at a regularly called meeting as provided in the Bylaws.

ARTICLE V AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the full Board of Directors at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting.