

**BYLAWS OF PORT RIDGLEA PROPERTY OWNERS
ASSOCIATION, INC.**

A NONPROFIT CORPORATION

GRANBURY, TEXAS

ARTICLE 1

OFFICES

Principal Office

1.01. The principal office of the corporation in the State of Texas shall be located in the City of Granbury, County of Hood. 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.

Registered Office and Registered Agent

1.02. 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 2

MEMBERS

Classes of Members

2.01. The corporation shall have one class of members. The designation of such class and the qualifications and rights of the members of such class shall be as follows: This class of members shall be known as participating members and shall be selected from the dues paying owners of lots in Port Ridglea (or such other owners of such other lots as the Board of Directors may, from time to time, authorize), whose rights, powers and discretions shall be set forth in these Bylaws, in the Texas Non-Profit Corporation Act, and in the Articles of Incorporation of the Corporation, which powers, rights and discretions shall vest in and be exercisable by such participating members.

Election of Members

2.02. To be eligible for membership, candidates must be dues paying lot owners in Port Ridglea, an addition in Hood County, Texas, or owners of lots in such other subdivisions as the Board of Directors may, from time to time, permit. Members must be elected by the Board of Directors. An affirmative vote of two-thirds of the Board of Directors shall be required for election as a member.

Voting Rights

2.03. Each member shall be entitled to one vote on each matter submitted to a vote of the members.

Termination of Membership

2.04. The Board of Directors, by affirmative vote of two-thirds of all of the members of the Board, may suspend or expel a member for cause after an appropriate hearing and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period fixed in Article 11 of these bylaws.

Inactivity

2.05. The inactivity of a member shall not relieve such member of the obligation to pay dues, assessments or other charges pursuant to his membership in the Port Ridglea Property Owners Association, Inc.

Resignation

2.06. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

Reinstatement

2.07. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds of the members of the Board, reinstate such former member to membership on such terms as the Board of Directors may deem appropriate.

Transfer of Membership

2.08. Membership in this corporation is not transferable or assignable.

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ARTICLE 3

MEETINGS OF MEMBERS

3.01. An annual meeting of the members shall be held on the _____ day of _____ in each year, beginning with the year 19_____, at the hour of _____ o'clock, _____ 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.

Special Meeting

3.02. 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.

Place of Meeting

3.03. 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.

Notice of Meetings

3.04. 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.

Informal Action by Members

3.05. 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.

Quorum

3.06. The members holding one-third 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 from time to time without further notice.

Proxies

3.07. 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.

Voting by Mail

3.08. Where Directors or officers are to be elected by members or any class or classes or members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

ARTICLE 4

BOARD OF DIRECTORS

General Powers

4.01. The affairs of the Corporation shall be managed by its Board of Directors. Directors need not be residents of Texas, but shall be property owners of Port Ridglea, an addition in Hood County Texas, and members of the Corporation in good standing.

Number, Tenure, and Qualifications

4.02. The number of Directors shall be five. The initial Board of Directors shall consist of five individuals, one of whom shall be elected to serve for one year, two of whom shall be elected to serve for two years, and two of whom shall be elected to serve for three years. Thereafter, at the expiration of their respective terms, a successor to each shall be elected for a full three year term, and this pattern of staggered three year terms for the Directors shall continue thereafter so long as this corporation shall exist.

ARTICLE 13

WAIVER OF NOTICE

13.01. 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 14

AMENDMENTS TO BYLAWS

14.01. 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 two days' written notice is given of an intention to alter, amend, or repeal these bylaws or to adopt new bylaws at such meeting.

ARTICLE 10

FISCAL YEAR

10.01. 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 11

DUES

Annual Dues

11.01. The Board of Directors may determine from time to time the amount of initiation fee, if any, and the annual dues payable to the corporation by members, and may adjust (increase or decrease) dues and fees from time to time as they see fit. Dues increases in excess of \$20.00 per year may only be adopted by a majority of the home owners present at any regular meeting or at any special meeting if at least 30 days written notice is given of this intention.

Payment of Dues

11.02. Dues shall be payable in advance on the first day of January in each fiscal year. Dues of a new member shall be prorated from the first day of the month in which such new member is elected to membership, for the remainder of the fiscal year of the corporation,

Default and Termination of Membership

11.03. When any member of the corporation shall be in default in the payment of dues for a period of three months from the beginning of the fiscal year or period for which such dues become payable, his membership may thereupon be terminated by the Board of Directors in the manner provided in Article 3 of these bylaws; but nothing herein shall relieve him of the obligation to continue to pay dues in accordance with all contracts, and agreements and other instruments covering his membership in the corporation.

ARTICLE 12

SEAL

12.01. 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 words "Corporate Seal of Port Ridglea Property Owners' Association, Inc."

Regular Meetings

4.03. 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.

Special Meetings

4.04. 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.

Notice

4.05. Notice of any special meeting of the Board of Directors shall be given at least two 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.

Quorum

4.06. 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.

Manner of Acting

4.07. 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.

Vacancies

4.08. 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.

Compensation

4.09. 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.

Informal Action by Directors

4.10. 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 the Directors.

ARTICLE 5

OFFICERS

Officers

5.01. 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. Officers need not be residents of Port Ridglea, an addition in Hood County, Texas.

Election and Term of Office

5.02. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual 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.

Gifts

7.04. 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 8

CERTIFICATE OF MEMBERSHIP

Certificates of Membership

8.01. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation. All certificates evidencing membership of any class 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 corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefor on such terms and conditions as the Board of Directors may determine.

Issuance of Certificates

8.02. When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Paragraph 8.01 of this Article 8.

ARTICLE 9

BOOKS AND RECORDS

9.01. 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.

Vacancies

6.06. 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.

Quorum

6.07. 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.

Rules

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

ARTICLE 7

CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Contracts

7.01. 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.

Checks and Drafts

7.02. 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.

Deposits

7.03. 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.

Removal

5.03. 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.

Vacancies

5.04. 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.

President

5.05. 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 deeds, mortgages, bonds, contracts, or other 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.

Vice President

5.06. 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.

Treasurer

5.07. 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 7 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.

Secretary

5.08. 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.

Assistant Treasurers and Assistant Secretaries

5.09. 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 6

COMMITTEES

Committees of Directors

6.01. 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 article 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 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.

Planning Committee

6.02. There shall be appointed a planning committee, composed of three members, to 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 the planning committee shall be members of the corporation, and the Board of Directors of the corporation shall appoint the members thereof. The planning committee shall be authorized to approve any alteration or construction on any lot in Port Ridglea. No building, fence or structure of any kind shall be erected or altered on any lot until the plans therefor, including suitability of materials and design, specifications, plot plan and compatibility with surrounding lots have been approved in writing by the planning committee. In the event of disapproval of any such plans, specifications, materials, designs and/or plot plans, notice of such disapproval shall be by delivery in person or by registered or certified letter addressed to the party submitting the same at any address which must be supplied with the submission. Any such notice may set forth the elements disapproved and the reason therefor; but need not contain suggestions as to methods to cure any matters or things disapproved. The judgment of the planning committee in this respect and the exercise of its discretion shall be final and conclusive. If notice or disapproval of said plans, specifications, materials and/or plot plans is not mailed within thirty days after same have been submitted, it will be presumed that same have been approved.

Other Committees

6.03. 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 interest of the corporation shall be served by such removal.

Term of Office

6.04. Each member of a committee shall continue as such until the next 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.

Chairman

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