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FOURTH AMENDED AND RESTATED BY-LAWS
OF THE

BENTWATER PROPERTY OWNERS ASSOCIATION, INC.

After Recording Return To:

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**FOURTH AMENDED AND RESTATED BY-LAWS OF THE
BENTWATER PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I. DEFINITIONS

1. "Association" means and refers to Bentwater Property Owners Association, Inc., a Texas non-profit corporation, its successors and assigns. This corporation is the identical corporation which is referred to as the "Association" in the Declaration. This corporation shall have all the rights, powers, privileges and authority vested in it under said Declaration and shall carry out all the functions and responsibilities therein assigned and those which may hereafter be assigned to the Association.
2. "Bentwater" shall mean all platted sections of Bentwater and other subdivisions which may hereafter be developed and platted and made subject to the jurisdiction of the Association.
3. "Common Area" means all real property including improvements erected thereon in accordance with the provisions of said Declaration and these By-laws within the Subdivision owned by the Association for the common use and enjoyment of the Owners and any other real property and improvements, including, but not limited to, private roads and streets, parks, lakes, lake road crossings, dams, open spaces and greenbelt areas and other facilities within the Common Area to which the Owners may hereafter become entitled to use.
4. "Control Transfer Date" shall mean and refer to the date that all the Lots in the Subdivision and all other future sections of Bentwater (as currently or hereafter contemplated and subsequently platted, from time to time, hereafter) in the entirety of the Annexable Area (as defined within the Declaration) are owned by persons or entities other than the Declarant.
5. "Country Club Charge" means the social membership charge assessed to each Owner by the Bentwater Country Club, Inc., its successors and assigns, ("BCCC") with respect to such Owner's use of the Bentwater Country Club ("Country Club").
6. "Declaration" shall mean and refer to all recorded covenants, conditions and restrictions filed of record in the Real Property Records of Montgomery County, Texas, affecting property located within Bentwater
7. "Declarant" means Bentwater on the North Shore, Ltd., a Texas limited partnership and its successors and assigns.
8. "Lot" means each of the lots as designated on the Plat, unless one Owner has purchased adjoining lots or one lot and a part of an adjoining lot and a residence, as approved by the Architectural Control Committee, has been built on the adjoining lots, in which case the adjoining lots shall be a single "Lot".
9. "Maintenance Charge" includes the monthly maintenance charge fixed, established and collected as provided in the Declaration.
10. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in Article III, Section 6 hereof.
11. "Owner" means 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 (1) contract sellers, but excluding those having such interest merely as security for the performance of an obligation; (2) Declarant (except as otherwise provided in the Declaration); and (3) Builders.

12. "Subdivision" means and refers to the property described in the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

13. "Plat" shall mean and refer to all recorded maps or plats filed of record in the Plat and Map Records of Montgomery County, Texas, for all or any portion of Bentwater.

14. "Yacht Club Charge" means the social membership charge assessed each Owner by Bentwater Yacht Club and Marina, Inc., its successors and assigns, ("BYCM") with respect to such Owner's use of the Bentwater Yacht Club and Marina ("Yacht Club").

15. Except as otherwise defined in these By-laws, all terms which are defined in the Declaration shall, when used herein, have the same meaning as that set forth in the Declaration.

ARTICLE II. FUNCTIONS OF THE CORPORATION

Section 1. Purposes

The purposes for which the Association is formed are to promote and enhance the desirability and attractiveness of the Lots, Common Area, the Subdivision and such other tracts or parcels of land as may, by recorded restrictions thereon, be made subject to the jurisdiction of the Association; to exercise the duties and prerogatives of such Association as set forth in the Declaration (together with all amendments thereof, if any, and any other Declarations or Covenants, Conditions and Restrictions for other sections of Bentwater) and its Articles of Incorporation; to have and to exercise any and all powers, rights and privileges that a corporation organized under the Non-Profit Corporation Act of the State of Texas may now or hereafter have or exercise; and to do any and all other things necessary to implement or accomplish the purposes set forth in these By-laws, to the extent permitted by law. To carry out said purposes, the Association shall, to the extent permitted or required by the Declaration, at the discretion of its Board of Trustees, perform the following functions and the exercise of such functions shall be deemed to be within the scope of activities contemplated by the corporate charter:

- (a) Accept conveyances of and may own Common Areas in Bentwater.
- (b) The Association shall (i) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration and Articles of Incorporation; (ii) pay all expenses incidental thereto; (iii) enforce the decisions and rulings of the Association; (iv) enforce all restrictions, covenants, easements, and liens provided in the Declaration; (v) pay all of the expenses in connection therewith; and (vi) reimburse the Declarant under the Declaration for all costs and expenses incurred or paid by it in connection with the enforcement of any of the conditions, covenants, restrictions, charges, assessments or terms set forth in the Declaration.
- (c) Own, lease, provide, control, maintain and operate the Common Areas.
- (d) Construct and maintain private streets, roads, rights-of-way and easements.
- (e) Do all things necessary for the upkeep, repair and maintenance of all Common Areas and the placement of improvements, fixtures and equipment thereon, including the replacement of obsolete or damaged improvements, fixtures and equipment.
- (f) Provide for the landscaping of the Common Area and portions of the Lots necessary to provide a uniform scheme of landscaping for the whole Subdivision.

- (g) Pay legal and other expenses incurred in connection with the enforcement of all recorded charges, covenants, restrictions and conditions affecting said property to which the Maintenance Charge applies.
- (h) Provide access gate services.
- (i) To have the right without the obligation to provide for the exterior maintenance of all residences, to the extent provided for by the Declaration and may send invoices or take other necessary action to collect the cost of such exterior maintenance from the Owner of the Lot.
- (j) Fix, levy, collect and enforce payment by any lawful means, of all charges and assessments, including, but not limited to, the Maintenance Charge pursuant to the terms of the Declaration, including, but not limited to, the right to foreclose the lien against any property created by failure to pay said charges; assign the liens securing the Country Club Charge to BCC and the lien securing the Yacht Club Charge to BYCM; pay all expenses in connection therewith and all administrative and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, assessments or other governmental charges levied or imposed against the property of the Association.
- (k) Do all other things necessary or desirable in the opinion of the Association to keep the property in the Subdivision in neat and good order, or which it considers of general benefit to the Owners of the Lots, it being understood that the judgment of the Association with respect to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.
- (l) Set and establish the amount of the Maintenance Charge, subject to the approval of the Declarant until the Control Transfer Date, which may be imposed by the Association annually and shall be due as designated by the board, and shall hold and administer the Maintenance Fund and expend such Maintenance Funds for the purposes contemplated by and in accordance with the terms and provisions of said Declaration and these By-Laws.
- (m) Acquire by gift, purchase or otherwise, own, hold, improve upon, build, enjoy, operate, maintain, convey, sell, lease, transfer, mortgage, dedicate for public use, or otherwise dispose of real or personal property in connection with the business of the Association, all in accordance with the terms of the Declaration and these By-Laws.
- (n) Borrow money in the name of the Association, subject to the approval of the Declarant until the Control Transfer Date, for the purpose of carrying out the corporate affairs, with the consent (either by written instrument or by voting at a meeting duly called for such purpose) of a majority of the Board of Trustees. Prior to the Control Transfer Date, the Association may mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred with the consent (either by written instrument or by voting at a meeting duly called for such purpose) of a majority of the Board of Trustees. From and after the Control Transfer Date, for loans in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00) the Association (provided that the majority of the Board of Trustees, the Declarant and not less than two-thirds [2/3] of the aggregate of the votes of the Class A Members' consent either by written instrument or by voting at a meeting duly called for such purpose), may mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred. Loans under Fifty Thousand and 00/100 Dollars (\$50,000.00) may be made after the Control Transfer Date by the decision of a majority

of the Board of Trustees. However, in no event may the Association lend, contract for a loan or issue evidences of indebtedness to any of its Trustees, officers, Members or Disqualified Persons (as that term is defined in Section 4946[a] of the Internal Revenue Code of 1954 [the "Code"]). Moreover, the Trustees of the Association who vote for or assent to the making of a loan to a Trustee or officer of the Association or to such Disqualified Person and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Association for the amount of such loan until repayment thereof.

(o) Participate in mergers and consolidations with other non-profit corporations organized for the same Purposes subject to the terms of the Declaration.

(p) Exercise jurisdiction and control over portions of the Annexable Area and any other property made subject to the jurisdiction of the Association in accordance with the terms of the Declaration.

Section 2. Area

The activities of the Association shall be limited to the (i) area known as and to be known as Bentwater (including any portions of the Annexable Area and other property which may hereafter be platted and developed as part of Bentwater) and (ii) such other areas as may hereafter voluntarily or through the operation of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same be placed under or submitted to the jurisdiction of the Association.

ARTICLE III. MEMBERS

Section 1. Annual Meeting

The annual meeting of the Members shall be held on the third Friday in March in each year, at 11:00 o'clock a.m., Central Standard Time, or such other time and date as set by the Board of Trustees, if not a legal holiday, and if a legal holiday, then on the next succeeding business day, for the purpose of electing Trustees and for the transaction of any and all such other business which may be brought before or submitted to the meeting. All annual meetings of the Members shall be held at the office of the Association in Bentwater, unless otherwise determined by the Board of Trustees. No notice of the annual meeting shall be necessary unless there is a change in time and/or location from the standard date, time and location as set forth above.

Section 2. Special Meeting

Special meetings of the Members shall be held at the office of the Association in Bentwater, or at such other places as may be designated in the notice or waiver of notice of the respective meetings. Special meetings of the Members may be called by the President or by a Vice President or by the Board of Trustees, or by a majority of the Members eligible to vote. Written notice of each special meeting of the Members, stating the time and place thereof and indicating briefly the purpose or purposes thereof, shall be sent by mail or telegram, or be delivered by the Secretary, or in the event of his absence or failure, refusal, inability or omission to do so, by the President or a Vice President or any Assistant Secretary, to each of the Members of the Association entitled to vote, at their respective addresses, as shown by the records of the Association, at least ten (10) days prior to the date set for the holding of the meeting. Unless otherwise indicated in the notice for waivers of notice thereof, any and all business may be transacted at any annual or special meeting. Attendance of a Member at a special meeting shall constitute a waiver of notice of such special meeting, except where a Member attends a special meeting

for the express purpose of (i) objecting to the transaction of any business; or (ii) objecting to the fact that such meeting is not lawfully called or convened.

Section 3. Quorum

Ten percent (10%) of the Members eligible to vote, present in person or by proxy, shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If the number of Members necessary to constitute a quorum at any annual or special meeting of the Members shall fail to attend in person or by proxy, the Members present in person or by proxy, may adjourn any such meeting from time to time without notice other than by announcement at the meeting until the number requisite to constitute a quorum shall be present or attend in person or by proxy. A majority of the Members present in person or by proxy, may also adjourn any annual or special meeting from time to time without notice, other than by announcement at the meeting, until the transaction of any and all business submitted or proposed to be submitted to such meeting or any adjournment or adjournments thereof shall have been completed. At any such adjourned meeting at which a quorum may be present, in person or by proxy, any business may be transacted which might have been transacted at the meetings as originally notified or called.

Section 4. Proxies

At all meetings of Members, each Member may vote in person or by proxy, attorney-in-fact or legal representative. All proxies, powers of attorney and evidence of the appointment of a legal representative shall be in writing and filed with the Secretary in advance of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. Facsimiles of proxies shall be accepted by the Association.

Section 5. Mail ballots

Any vote of the Members of the Association which can be made either in person or by proxy may also be conducted by mail ballot, or any combination of these methods.

Section 6. Organization

The President of the Association and in the event of his absence, a Vice President of the Association, shall call meetings of the Members to order and shall act as Chairman of such meetings. In the absence of the President and the Vice President of the Association, the Members present may appoint a chairman. The Secretary of the Association or in his absence, an Assistant Secretary, shall act as Secretary of all meetings of the Members, but in the absence of the Secretary and an Assistant Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

Section 7. Members

Membership in the Association shall be as follows:

- (a) Each initial Trustee named in the Articles of Incorporation of the Association (and said initial Trustees' successors) shall be a Member until the Control Transfer Date. On the Control Transfer Date, each such initial Trustee shall be required to resign from membership (such Member being herein referred to as "Class 'B' Members"), with such resignation to be effective on the date such initial Trustees' successors are elected.
- (b) Every person or entity who is a record Owner of any Lot which is subject to the Maintenance Charge (or could be following the withdrawal of an exemption therefrom as further provided for in the Declaration), including contract sellers (under a contract for

deed), shall be a Member of the Association. The foregoing is not intended to include persons or entities holding an interest in property merely as security for the performance of an obligation or those having only an interest in the mineral estate. Membership shall be appurtenant to, and may not be separated from, the ownership of any Lots. There shall be one membership for each Lot in the Subdivision. Regardless of the number of persons who may own a Lot (such as husband and wife or joint tenants, etc.), there shall be but one membership for each Lot. Except as otherwise provided in these By-laws or in the Declaration, all action to be taken or authorized by the Members shall be deemed validly taken or authorized upon adoption by the vote of a majority of the Members present, in person or by proxy, at any properly called meeting at which a quorum is present, in person or by proxy (such Members being herein referred to as "Class 'A' Members").

Section 8. Voting

Until the Control Transfer Date, no Class A Member shall be entitled to vote except for the election of Advisory Board Trustees. This limitation of voting rights extends to amendments to the Declaration as set out in the amendment provision of the Declaration until the Control Transfer Date. After the Control Transfer Date no amendment to the Declaration shall be effective without the joinder of the Association. From and after the Control Transfer Date, the Class B membership shall terminate and cease to exist and each Class A Member shall be entitled to one (1) vote at each meeting of the Members. Prior to the Control Transfer Date, all references in these By-laws to "Members" shall refer to the Class B Members except for the election of Advisory Board Trustees where Members shall mean the Class A Members. From and after the Control Transfer Date, all references to "Members" in these By-laws shall mean Class A Members. Joint owners of a Lot shall designate in writing to the Association the party authorized to cast the membership vote for such joint owners, which written designation shall remain in effect until modified by a similar written designation or until the Lot is sold. If a joint owner fails to designate in writing the authorized owner to vote, the vote of the first joint owner received shall be counted and any subsequent joint owner votes will not be considered. The attorney-in-fact of any Member or the executor, administrator or legal representative of any deceased Member shall be entitled to cast the vote of such Member at any meeting of Members or by any written instrument. At all meetings of Members, all questions, except those the manner of which is otherwise expressly governed by statute, the Articles of Incorporation of the Association, the Declaration or the By-laws, shall be decided by the vote of a majority of the Members of the Association present in person or by proxy and entitled to vote, provided that a quorum is present. All voting by Member present at a meeting shall be via voice, except that upon the determination of the presiding officer of any meeting or upon demand of any Member or his proxy, voting on any further question or questions at any meeting shall be by ballot or written instrument. Each ballot shall be signed by the Member voting or by his proxy, attorney-in-fact or legal representative. If mail ballots were used for any election, the ballot shall be counted as if the Member were present in person for all matters voted for within the mail ballot.

ARTICLE IV. BOARD OF TRUSTEES

Section 1. Number and Term of Office

The business and property of the Association shall be managed and controlled by the Board of Trustees (sometimes referred to herein as the "Board"), and subject to the restrictions imposed by any law, by the charter of the Association, the Declaration, or by these By-laws, the Board of Trustees may exercise all of the powers of the Association. The number of Trustees shall be three (3) and all actions to be taken by the Trustees shall require a majority vote for approval, except as otherwise provided in the Declaration, these By-laws or by law. The initial Trustees were appointed by Declarant and shall continue to serve until their successors are selected or appointed in accordance with the provisions of these By-laws. Prior to the Control Transfer Date, the Declarant shall have the exclusive right to

remove and replace the Trustees, and any vacancy occurring (by death, resignation, removal or for any other reason) in the Board of Trustees shall be filled by Declarant. From and after the Control Transfer Date, the following shall take effect: the number of Trustees may be increased or decreased from time to time by amendment of these By-laws with an affirmative vote of two-thirds (2/3rd) of the Members, present in person or by proxy, attorney-in-fact or legal representatives, at any annual or special meeting of the Members, provided that the number of Trustees shall never be less than three (3) nor more than seven (7). From and after the Control Transfer Date, the Trustees shall be elected each year at the annual meeting of the Members. However, a special election may be held by the Class A Members for their election of the Trustees (replacing the initial Trustees) on or after the Control Transfer Date. The Trustees shall establish the procedure for electing Trustees from and after the Control Transfer Date. If the election for Trustees is not held when provided by these Bylaws, each Trustee shall continue to hold office and serve until the next annual meeting of the Members after his election or until his successor shall be elected and shall qualify.

From and after the Control Transfer Date, any vacancy occurring (by death, resignation, removal or for any other reason) in the Board of Trustees shall be filled by the vote of a majority of the Trustees then in office. In the event of any increase in the number of Trustees, the additional Trustees shall be elected by the majority vote of the Members of the Association present in person or by proxy, at any annual or special meeting of the Members. Trustees need not be Members. Any Trustee, other than the initial Trustees, may be removed from the Board by a majority of the Members of the Association.

Section 2. Meeting of Trustees

The Trustees may hold their meetings and have officers and keep the books of the Association except as otherwise provided by statute, in such place or places in the State of Texas, as the Board of Trustees may from time to time determine.

Section 3. First Meeting

Each newly elected Board of Trustees may hold its first meeting for the purposes of organization and the transaction of business, if a quorum is present, immediately after the annual meeting of the Members, or adjourned annual meeting of the Members and no notice of such meeting shall be necessary.

Section 4. Election of Officers

At the first meeting of the Board of Trustees in each year at which a quorum is present, the Board of Trustees shall proceed to the election of the officers of the Association. No notice or waiver of notice of any such first meeting shall be required or necessary if it is held immediately after either the annual meeting or the adjourned meeting of the Members and any and all business of any nature or character may be transacted at such first meeting.

Section 5. Regular Meetings

Regular meetings of the Board of Trustees shall be held at such time and place as shall be designated from time to time by resolution of the Board of Trustees. Notice of such regular meetings shall not be required. The Board of Trustees shall meet no less than three (3) times each calendar year.

Section 6. Special Meetings

Special meetings of the Board of Trustees shall be held whenever called by the President, Vice President, Secretary or a majority of the Trustees then in office. Notice of each special meeting shall be given by any officer of the Association by telegraph, mail, telephone or personal delivery to each

Trustee at his residence or usual place of business at least two (2) days prior to the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. At any meeting at which every Trustee shall be present, even though without any notice, any business may be transacted. Neither the business proposed to be transacted, nor the purpose of any special meeting by the Board of Trustees need be specified in the notice or waiver of notice of such meeting, except as may be otherwise provided by statute or by the Articles of Incorporation.

Section 7. Action Taken Without a Meeting

The Trustees shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Trustees. Any action so approved shall have the same effect as though taken at a meeting of the Trustees.

Section 8. Quorum

The majority of the Trustees then in office shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Trustees there be less than a quorum present, the majority of those present may adjourn the meeting from time to time without notice, other than by announcement at the meeting, until a quorum be present or in attendance thereat. The act of a majority of the Trustees present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Trustees, except as otherwise provided by law, the charter of the Association, the Declaration, or by these By-Laws. Any deadlock in voting on any matter (which may be decided by a majority vote) before the Board of Trustees shall be broken by the President.

Section 9. Order of Business

At meetings of the Board of Trustees, business shall be transacted in such order as the Board of Trustees from time to time may determine. At all meetings of the Board of Trustees, the President shall preside, and in the absence of the President, a Chairman shall be chosen from the Trustees present. The Secretary of the Association shall act as Secretary of all meetings of the Board of Trustees, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

Section 10. Services

No Trustee or officer of the Association shall be required to devote his time or render services exclusively to the Association. Each Trustee and officer of the Association shall be free to engage in any and all other business and activities either similar or dissimilar to the business of the Association without liability to the Association. Likewise, each and every Trustee and officer of the Association shall be entirely free to act for and serve any other corporation or corporations, entity or entities, in any capacity or capacities and become a trustee or officer of any other corporation or corporations, entity or entities, whether or not similar to the purposes, business and activities of the Association, without breach of duty to the Association or its members and without liability of any character or description to the Association or its members. Subject to the provisions of Section 5 of Article VII, no contract or other transaction of the Association shall ever be affected by the fact that any Trustee or officer of the Association is interested in, or connected with, any party to such contract or transaction, or is a party to such contract or transaction, provided that such contract or transaction shall be approved by a majority of the Trustees present at a meeting of the Board of Trustees at which such contract or transaction shall be authorized or confirmed.

Section 11. Compensation

No Trustee shall receive compensation for any service he may render to the Association.

However, any Trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 12. Powers

The Board of Trustees shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend a Member's voting rights and Member's right to use any recreational facilities within the Common Areas, during any period in which such Member shall be in default in the payment of any Maintenance Charge or other assessment levied by the Association. Such rights may also be suspended, after notice and hearing by the Board of Trustees, during and for a period not to exceed sixty (60) days thereafter for the violation of a provision of the Declaration or of the Rules and Regulations, as more particularly described in the Declaration;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association by the Articles of Incorporation, Declaration or authorized by law and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees, without the consent of the President;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
- (f) assess, collect and administer Subassociation assessments until such time as Subassociations are formed.

Section 13. Duties

It shall be the duty of the Board of Trustees to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement or summary thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) supervise all officers, agents and employees of the Association, and see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the Maintenance Charge against each Lot during the month preceding the due date of the Maintenance Charge; and
 - (2) at the discretion of the Board of Trustees foreclose the lien against any Lot for which Maintenance Charges or any other charges or assessments provided for in the Declaration are not paid within thirty (30) days after due date or to enforce

any other remedy provided for in the Declaration against the Owner personally obligated to pay the same:

- (d) issue, or to cause an appropriate officer to issue, upon written request by any person, a certificate or letter setting forth whether or not any Maintenance Charge or other charge or assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates or letters. If a certificate or letter states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability, casualty and hazard insurance on property owned by the Association;
- (f) cause the Common Area to be maintained; and
- (g) perform all other duties required of the Board of Trustees as are set forth in the Declaration, the Articles of Incorporation, these By-laws and as are required by law.

ARTICLE V. POA ADVISORY BOARD

Section 1. Establishment of POA Advisory Board

The number of trustees of the Advisory Board ("Advisory Board Trustees") shall be five (5), and such Trustees shall be elected by Class A Members not including the Developer. The Advisory Board Trustees shall serve for staggered terms. Each Advisory Board Trustee shall serve a three year term. The five (5) Advisory Board Trustees shall be elected in a manner as determined by the Board of Trustees which methods may include but shall not be limited to at large elections, voting districts or any other method as set in the sole discretion of the Board of Trustees.

The election shall be conducted by mail ballot. Nominees shall be self nominated or nominated by another Member and all who place their name in contention by the deadlines set by the Association Board of Trustees shall be placed upon the mail ballot for consideration by the Owners. Elections shall take place in November of each year with the results being announced in December of each year and the Advisory Board Members shall take office effective January 1 of each year. In the event of a vacancy caused on the Advisory Board by death, resignation, removal, incapacity or for any other reason, of an Advisory Board Trustee, the Board of Trustees of the Association shall have the exclusive right to fill such vacancy on the Advisory Board. Such appointment shall be at the sole discretion of the Board of Trustees and shall be for the remainder of the term of the Advisory Board Trustee being replaced.

The Advisory Board shall cease to exist when the Board of Trustees is elected by the Class "A" Members following the Control Transfer Date.

Section 2. Purpose of Advisory Board

The Advisory Board will provide input to the Trustees with respect to the operating plans and budget of the Association and various policies, rules and regulations of the Association. The Advisory Board Trustees will serve as the contact point for the property owners with respect to discussing any problems with the Association. The Advisory Board Trustees may attend all meetings of the Trustees (while not in executive session) and make recommendations to the Board of Trustees.

Section 3. Meeting of Advisory Board Trustees

Fourth Amended and Restated By-Laws
Bentwater Property Owners Association, Inc.

The Advisory Board Trustees may hold meetings and shall keep records of the Advisory Board Trustees at the office of the Association in Bentwater or such other places as may be established by the Advisory Board Trustees.

ARTICLE VI. OFFICERS

Section 1. Titles and Term of Office

The officers of the Association shall be a Chairman of the Board of Trustees, President (who shall be a Trustee), one or more Vice Presidents, a Secretary, a Treasurer and such other offices, including but not limited to, one or more Assistant Secretaries and one or more Assistant Treasurers, as the Board of Trustees may from time to time elect or appoint. One person may hold more than one office.

Section 2. Election of Officers

The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the Members.

Section 3. Term

The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Resignation and Removal

Any officer may be removed from office with or without cause by a vote of a majority of the Board of Trustees. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies

A vacancy in the office of any officer shall be filled by vote of a majority of the Trustees then in office. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Chairman of the Board of Trustees

The Chairman of the Board of Trustees shall, when present, preside at all meetings of the Board of Trustees, and shall have and may exercise such other powers as are from time to time assigned to him by the Board of Trustees.

Section 7. President

The President, subject only to the control of the Board of Trustees, shall be in general charge of the affairs of the Association in the ordinary course of its business; he shall, in the absence of the Chairman of the Board of Trustees, preside at all meetings of the Members and of the Board of Trustees; he may make, sign and execute all deeds, conveyances, assignments, bonds, checks, contracts and other obligations and any and all other instruments and papers of any kind or character in the name of the Association; and, he shall do and perform such other duties as may from time to time be assigned to him

by the Board of Trustees.

Section 8. Vice Presidents

Each Vice President 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 Trustees, and the Vice President shall have and 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 9. Treasurer

The Treasurer shall have custody of all the funds and securities of the Association. When necessary or proper, the Treasurer (i) may endorse, on behalf of the Association, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Association in such bank or banks or depositories as shall be designated in the manner described by the Board of Trustees; (ii) may sign all receipts and vouchers for payments made to the Association, either alone or jointly with such officer as is designated by the Board of Trustees; whenever required by the Board of Trustees, he shall render a statement of the cash account; (iii) shall enter or cause to be entered regularly on the books of the Association to be kept by him for that purpose full and accurate accounts of all moneys received and paid out on account of the Association; (iv) shall at reasonable times during business hours make available for review the books and accounts of the Association to any Trustee of the Association; (v) shall perform all acts incident to the position of Treasurer subject to the control of the Board of Trustees; (vi) shall, if required by the Board of Trustees, give such bond for the faithful discharge of his duties in such form as the Board of Trustees may require; and (vii) shall cause an annual audit of the Association books to be made by a public accountant at the completion of the fiscal Year.

Section 10. Assistant Treasurers

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

Section 11. Secretary

The Secretary shall keep the minutes of all meetings of the Board of Trustees and the minutes of all meetings of the Members in books provided for that purpose; shall attend to the giving and serving of all notices; shall keep appropriate current records showing the Members of the Association, together with their addresses; certify the voting rights of Members from time to time and collect the votes of the Members at any meeting of the Members and may sign with the President or a Vice President in the name of the Association all contracts, conveyances, transfers, assignments, authorizations and other instruments of the Association. The Secretary shall have charge of and maintain and keep such books and papers as the Board of Trustees may direct, all of which shall at all reasonable times be open to the inspection of any Trustee upon request at the office of the Association during business hours and shall in general perform all the duties incident to the office of Secretary subject to the control of the Board of Trustees.

Section 12. Assistant Secretaries

Each Assistant Secretary shall have the usual powers and duties pertaining to such office, together with such other powers and duties as may be assigned to such officer by the Board of Trustees, and the Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or

inability to act.

Section 13. Committees

The Board of Trustees shall appoint such committees as it deems appropriate in carrying out its purposes and duties hereunder. However, the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed upon it or him by law. Any non-trustee who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Trustee who is a member thereof.

ARTICLE VII. CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 1. Contracts

The Board of Trustees, except as otherwise provided by these By-laws and the Declaration, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Association, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Trustees or expressly authorized by these By-laws or the Declaration, no officer or agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or for any amount.

Section 2. Loans

No loan shall be contracted on behalf of the Association, and no negotiable papers shall be issued in its name unless authorized by a vote of the Board of Trustees.

Section 3. Checks, Drafts, Etc.

All checks, drafts and other orders for the payment of money out of the funds of the Association, and all notes or other evidence of indebtedness of the Association shall be signed by the President on behalf of the Association or by such other Trustees, officers or other authorized persons in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 4. Deposits

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Trustees may select and for the purpose of such deposit the President, a Vice President, the Treasurer, the Secretary or any other officer or agent or employee of the Association to whom such power may be delegated by the Board of Trustees, may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Association.

Section 5. Transactions with Trustees and Officers

All contracts, transactions and acts entered into by the Trustees and/or officers on behalf of the Association shall be at arm's length and not violative of the limitations provided in the Articles of Incorporation or these By-laws against the Association's use or application of its funds for private

benefit; and provided further that no contract or transaction shall be entered into on behalf of the Association if such contract or transaction is a prohibited transaction or would result in the denial of the tax exemption of the Association under any section of the Code and its Regulations as they now exist or as they may hereafter be amended, or if such contract or transaction is at prices or rates which are not competitive with or more favorable to the Association than prices or rates otherwise prevailing on the market for similar or comparable goods, services or arrangements. In no event, however, shall any person or other entity dealing with the Trustees or officers be obligated to inquire into the authority of the Trustees and officers to enter into and consummate any contract, transaction, or other action.

Section 6. Indemnity of Trustees and Officers

(a) Subject to the exceptions and limitations contained in Section (b) below:

(1) Every person who is, or has been a Trustee, Advisory Board Trustee or officer of the Association shall be indemnified by the Association to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any demand, claim, action, suit (or threat thereof) or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been a Trustee or officer and against amounts paid or incurred by him in the settlement thereof:

(2) The words "claim", "action", "suit" or "proceeding" shall apply to all claims, actions, suits or proceedings (civil, criminal or other, including appeals), actual or threatened, made or commenced subsequent to the adoption of these By-Laws; and the words "liability" and "expenses" shall include, without limitation, attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities.

(b) No indemnification shall be provided hereunder to a Trustee, Advisory Board Trustee, officer or any other individual:

(1) Against any liability to the Association by reason of willful misfeasance, bad faith, gross negligence, breach of fiduciary duty, criminal misconduct or reckless disregard of the duties involved in the conduct of his office:

(2) With respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interest of the Association:

(3) In the event of a settlement unless there has been a determination that such Trustee, Advisory Board Trustee or officer did not engage in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office:

(i) By the court or other body approving the settlement; or

(ii) By vote of two-thirds (2/3rd) of those Trustees of the Board of Trustees of the Association, constituting at least a majority of such Board, who are not themselves involved in the claim, action, suit or proceeding; or

(iii) By written opinion of independent counsel.

benefit; and provided further that no contract or transaction shall be entered into on behalf of the Association if such contract or transaction is a prohibited transaction or would result in the denial of the tax exemption of the Association under any section of the Code and its Regulations as they now exist or as they may hereafter be amended, or if such contract or transaction is at prices or rates which are not competitive with or more favorable to the Association than prices or rates otherwise prevailing on the market for similar or comparable goods, services or arrangements. In no event, however, shall any person or other entity dealing with the Trustees or officers be obligated to inquire into the authority of the Trustees and officers to enter into and consummate any contract, transaction, or other action.

Section 6. Indemnity of Trustees and Officers

(a) Subject to the exceptions and limitations contained in Section (b) below:

(1) Every person who is, or has been a Trustee, Advisory Board Trustee or officer of the Association shall be indemnified by the Association to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any demand, claim, action, suit (or threat thereof) or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been a Trustee or officer and against amounts paid or incurred by him in the settlement thereof.

(2) The words "claim", "action", "suit" or "proceeding" shall apply to all claims, actions, suits or proceedings (civil, criminal or other, including appeals), actual or threatened, made or commenced subsequent to the adoption of these By-Laws; and the words "liability" and "expenses" shall include, without limitation, attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties, and other liabilities.

(b) No indemnification shall be provided hereunder to a Trustee, Advisory Board Trustee, officer or any other individual:

(1) Against any liability to the Association by reason of willful misfeasance, bad faith, gross negligence, breach of fiduciary duty, criminal misconduct or reckless disregard of the duties involved in the conduct of his office:

(2) With respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interest of the Association:

(3) In the event of a settlement unless there has been a determination that such Trustee, Advisory Board Trustee or officer did not engage in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office:

(i) By the court or other body approving the settlement; or

(ii) By vote of two-thirds (2/3rd) of those Trustees of the Board of Trustees of the Association, constituting at least a majority of such Board, who are not themselves involved in the claim, action, suit or proceeding; or

(iii) By written opinion of independent counsel.

- (c) The rights of indemnification herein provided may be insured against by policies maintained by the Association, shall be severable, shall not affect any other rights to which any Trustee, Advisory Board Trustee or officer may now or hereafter be entitled, shall continue as to a person who has ceased to be such Trustee, Advisory Board Trustee or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.
- (d) Expenses in connection with the preparation and presentation of a defense to any claim, action, suit or proceeding of the character described in Section (a) hereof may be advanced by the Association prior to final disposition thereof upon receipt of an undertaking by or on behalf of the Trustee, Advisory Board Trustee or officers, secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas, to repay such amount if it is ultimately determined that he is not entitled to indemnification under this Section 6.

Section 7. Financial Records and Annual Reports

The Association shall maintain true and accurate current financial records with full and correct entries made with respect to all financial transactions of the Association, including all income and expenditures, in accordance with generally accepted accounting practices. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, the By-laws of the Association and the minutes of all meetings and proceedings of the Board and the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased by such Members at a reasonable cost.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 1. Offices

The principal office of the Association shall be at the Bentwater Subdivision Project Office, in Montgomery County, Texas.

Section 2. Fiscal Year

The fiscal year of the Association shall end at midnight on December 31st of each calendar year.

Section 3. Notice and Waiver of Notice

Whenever any notice is required to be given under the provisions of these By-laws, said notice shall be deemed to be sufficient if given by depositing the same in a post office mail 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 Association, and such notice shall be deemed to have been given two (2) days following the date of such mailing. A waiver of notice whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 4. Conflicts

In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

Fourth Amended and Restated By-Laws
Bentwater Property Owners Association, Inc.

Section 5. Covenant to Obey Laws, Rules and Regulations

Each Member shall be subject to the Declaration and shall abide by the By-laws and rules and regulations as the same are or may from time to time be established by the Board of Trustees. Each Member shall observe, comply with and perform all rules, regulations, ordinances and laws made by any governmental authority or any municipal, state and federal government having jurisdiction over the Property or any part thereof.

Section 6. Severability

Each of the provisions of these By-laws shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

Section 7. Terminology

The use of any gender herein shall be applicable to all genders, the singular shall include the plural and vice versa.

Section 8. Business Judgment Rule

Any act or thing done by any Trustee, Officer, or Committee Member taken in furtherance of the purposes of the corporation, and accomplished in conformity with the procedures set forth in the Declaration, Articles of Incorporation, the laws of the State of Texas, and/or these Second Amended and Restated By-laws, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing done shall not be a breach of duty on the part of the Trustee, Officer, or Committee Member if they have been done within the exercise of their discretion and judgment.

The Business Judgment Rule means that a court shall not substitute its judgment for that of the Trustee, Officer or Committee Member. A court shall not re-examine the quality of the decisions made by the Trustee, Officer, or Committee Member by determining the reasonableness of the decision as long as the decision is made in good faith in what the Trustee, Officer, or Committee Member believes to be the best interest of the corporation.

Section 9. Security


NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION, DECLARANT OR SUCCESSOR DECLARANT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF TRUSTEES, DECLARANT OR ANY SUCCESSOR ASSOCIATION, DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR DECLARANT DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF TRUSTEES, DECLARANT OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND

OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS, AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF TRUSTEES, DECLARANT OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, REPRESENTATIONS OR WARRANTIES NOR HAS ANY REPRESENTATIONS OR WARRANTIES, REPRESENTATIONS OR WARRANTIES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, REPRESENTATIONS OR WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

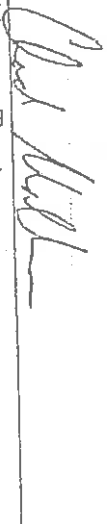
ARTICLE IX. AMENDMENTS

The Board of Trustees shall have the exclusive authority to make, alter, amend and repeal the By-Laws of the Corporation by the affirmative vote of a full majority of such Board. No amendment of Article I (4) and/or Article II, Section 1(j) & (n) may be made without the prior written approval of the Declarant.

EFFECTIVE the 1st day of January, 2008.



Gregory B. Belin, Trustee



Chad Mahlmann, Trustee



Melanie H. Gonzales, Trustee

CERTIFICATE OF SECRETARY

The undersigned, as Secretary of Bentwater Property Owners Association, Inc., hereby certifies that the foregoing By-Laws were approved by all of the Trustees of the Association at a meeting held on the 28th day of December, 2007 at which a quorum was present.

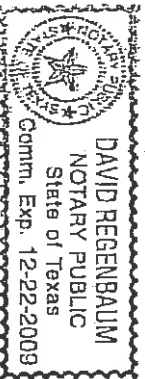

Melanie H. Gonzales, Secretary

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing Bylaws were acknowledged by Melanie H. Gonzales, the Secretary of Bentwater Property Owners Association, Inc. on this the 29th day of February, 2008 in her representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this day and year above written.



Notary Public - State of Texas



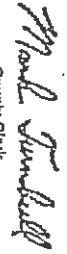
~~*****NOTICE*****~~
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blackouts, additions and changes were present at the time the instrument was filed and recorded.

FILED FOR RECORD

2008 MAY 21 PM 1:37


COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property of Montgomery County, Texas.
MAY 21 2008


County Clerk
Montgomery County, Texas



Fourth Amended and Restated By-Laws
Bentwater Property Owners Association, Inc.

FILED
In the Office of the
Secretary of State of Texas

APR 14 1987

ARTICLES OF INCORPORATION
OF
BENTWATER PROPERTY OWNERS ASSOCIATION, INC.

We, the undersigned natural persons of the age of twenty-one. ^{Corporations Section}

(21) or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

NAME OF CORPORATION

The name of the corporation is BENTWATER PROPERTY OWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

REGISTERED OFFICE

The initial registered office of the Association is located at 1250 Shoreline Drive, Suite 300, Sugar Land, Texas 77478.

ARTICLE III

REGISTERED AGENT

J. B. Belin, Jr. is hereby appointed the initial registered agent of this Association, whose address is the same as that of the initial registered office.

ARTICLE IV

DURATION

The period of duration of the Association is perpetual.

ARTICLE V

PURPOSES AND POWERS OF THE ASSOCIATION

The purposes for which the Association is formed are to provide for maintenance, safety and preservation of the "Lots", "Common Area" and "Subdivision" (as such terms are defined in the Declarations of Covenants, Conditions and Restrictions of Bentwater Section 1, Bentwater Section 3 and Bentwater Section 5 [collectively, the "Declaration"]), said subdivisions recorded or hereafter recorded in the Map Records of Montgomery County, Texas) and all declarations or restrictions hereafter recorded

for additional sections of the Bentwater Subdivisions, which Subdivisions now include all of the property within those certain tracts of property described as:

Bentwater Section 1, according to the plat of said subdivision recorded in Cabinet E, Sheets 174B, 175A and 175B, Map Records of Montgomery County, Texas; Bentwater Section 3, according to the plat of said subdivision recorded in Cabinet E, Sheets 180A and 180B, Map Records of Montgomery County, Texas; Bentwater Section 5, according to the plat of said subdivision recorded in Cabinet E, Sheets 181A and 181B, Map Records of Montgomery County, Texas; Bentwater Drive, according to the plat recorded in Cabinet E, Sheets 177A, 177B, 178A, 178B, 179A and 179B, Map Records of Montgomery County, Texas; and Bentwater Harbour Drive, according to the plat recorded in Cabinet E, Sheets 176A and 176B, Map Records of Montgomery County, Texas; (said subdivisions and all future sections of Bentwater on Lake Conroe which may hereafter be platted or developed are referred to as "Bentwater");

and to promote the health, safety, recreation and welfare of the "Owners" (as defined in the Declaration); to exercise the duties and prerogatives of such Association as set forth in the Declaration (together with all amendments thereof, if any, and any other Declarations of Covenants, Conditions and Restrictions for other sections of Bentwater); to exercise all of the powers and duties set forth in the By-Laws of the Association; to have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas may now or hereafter have or exercise; and to do any and all other things necessary to implement or accomplish the purposes set forth in the By-Laws of the Association to the extent permitted by law.

ARTICLE VI

MEMBERSHIP

The Association initially will have two (2) classes of members, as follows:

(1) Each initial Trustee named in these Articles of Incorporation of the Association (and said Trustee's successors appointed in accordance with the By-Laws) shall be a Class B Member so long as any of the Lots in Bentwater remain unsold by Bentwater Joint Venture, a Texas joint venture, the "Developer" of Bentwater, or its successors and

assigns. When all Lots in Sections 1, 3 and 5 of Bentwater and all other sections of Bentwater (which may hereafter be platted and developed and made subject to the jurisdiction of the Association), are sold by the Developer, each such initial Trustee shall be required to resign from membership and shall be replaced by Trustees elected by the Members in accordance with the By-Laws of the Association.

(2) Each record owner of a Lot in Bentwater shall be a Class A Member of the Association, as more particularly described in the By-Laws.

ARTICLE VII

BOARD OF TRUSTEES

The number of Trustees constituting the initial Board of Trustees of the Association is five (5) and the names and addresses of the persons who are to serve as the initial Trustees are:

| <u>Name</u> | <u>Address</u> |
|----------------------|--|
| John A. Anderson, II | 1250 Shoreline Drive, Suite 300 Sugar Land, Texas 77478 |
| James O. Kelley, III | 6800 West Loop South Bellaire, Texas 77401 |
| J. B. Belin, Jr. | 1250 Shoreline Drive, Suite 300 Sugar Land, Texas 77478 |
| M. D. Belin | 1250 Shoreline Drive, Suite 300 Sugar Land, Texas 77478 |
| Joseph C. Taber | 6800 West Loop South Bellaire, Texas 77401 |

ARTICLE VIII

INCORPORATORS

The names and street addresses of each incorporator is:

| <u>Name</u> | <u>Address</u> |
|---------------------|---|
| Paul M. Easterwood | Nine Greenway Plaza, Suite 2300 Houston, Texas 77046 |
| Thomas J. McCaffrey | Nine Greenway Plaza, Suite 2300 Houston, Texas 77046 |
| Bruce W. Merwin | Nine Greenway Plaza, Suite 2300 Houston, Texas 77046 |

ARTICLE IX

TAX EXEMPT ACTIVITIES

Notwithstanding anything contained herein to the contrary;

(1) The Association shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(2) The Association shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(3) The Association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

(4) The Association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

ARTICLE X

NON-PROFIT CORPORATION

The Association is a non-profit corporation, without capital stock organized solely for the purposes specified in Article V, and no part of its property, whether income or principal, shall ever inure to the benefit of any Trustee, officer or employee of the Association, or of any individual having a personal or private interest in the activities of the Association, nor shall any such Trustee, officer, employee or individual receive or be lawfully entitled to receive any profit from the operations of the Association except a reasonable allowance for salaries or other compensation for personal services actually rendered in carrying out one or more of its stated purposes. The Association shall not engage in, and none of its funds or property shall be devoted to, carrying on propaganda or otherwise attempting to influence legislation.

ARTICLE XI

PROHIBITED ACTS

Anything to the contrary herein notwithstanding, the corporation shall not:


- (1) Lend any part of its assets to;
- (2) Pay any compensation (other than that as set forth in Article X hereof) to;
- (3) Make any part of its services available on a preferential basis to;
- (4) Make any purchase of any securities or any other property for more than adequate consideration in money or money's worth from;
- (5) Sell any securities or other property for less than adequate consideration in money or money's worth to; or
- (6) Engage in any other transaction which results in a diversion of any part of its assets to any person or other entity which has made a contribution to the Association; or a member of the family of an individual who has made a contribution to the Association; or an association controlled by any person or other entity which has made a contribution to the Association through the ownership, directly or indirectly, of fifty percent (50%) or more of the total combined voting power of all classes of stock entitled to vote or fifty percent (50%) or more of the total value of shares of all classes of stock of the Association nor shall the Trustees engage, participate or intervene in any other activity or transaction which would cause the Association to lose its status as an exempt organization under the provisions of the Internal Revenue Code of 1954 or corresponding provisions hereinafter in effect; and the use, directly or indirectly, of any part of the Association's assets in any such activity or transaction is hereby expressly prohibited.

ARTICLE XII


DISSOLUTION

In the event of the dissolution of the Association, by lapse of time or otherwise, when it has any interest in or is entitled to any interest in any funds or property of any kind, real, personal or mixed, such funds or property or rights thereto shall not be transferred to private ownership, but shall either by transferred to an organization which is organized and operated for purposes substantially identical to the purposes of the Association or charged with a charitable public trust and, in the latter case, shall be thereafter administered and applied to public charitable purposes by a trustee or trustees to be appointed pursuant to law by a court of competent jurisdiction upon suitable proceedings brought for the purpose.

IN WITNESS WHEREOF for the purpose of forming this Association under the laws of the State of Texas, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 7 day of April, 1987.



PAUL M. EASTERWOOD



THOMAS W. MCCAFFREY



BRUCE W. MERWIN