

**BYLAWS OF
THE PROPERTY OWNERS' ASSOCIATION OF
THE PRESERVE ON FM 362**

Name and Purpose: The Property Owners' Association of The Preserve on FM 362, established by the certificate of formation filed with the Secretary of State of Texas on September 25, 2024 under file number 805720721, a Texas nonprofit corporation (the "***Association***") was formed to administer the common affairs of the property owners in The Preserve on FM 362 ("***The Preserve***") located in Waller County, Texas, as described in these Bylaws. The "Principal Office" of the Association shall be as stated in its Certificate on file with the Secretary of State of Texas.

Parties: All present and future property owners, tenants, or any other person who resides in The Preserve are subject to the provisions and regulations set forth in these Bylaws. The mere acquisition, lease, or rental of any property in The Preserve will signify that these Bylaws are accepted, approved, ratified, and shall be followed by all such parties.

1. SECTION ONE: DEFINITIONS

Definitions: Capitalized terms used but not defined herein have the meaning set forth in the Declaration.

1.1. "***Association***" shall mean and refer to the Property Owners' Association of The Preserve on FM 362, a Texas nonprofit corporation, and its successors and assigns.

1.2. "***Certificate***" shall mean and refer to the Certificate of Formation of the Property Owners' Association of The Preserve on FM 362.

1.3. "***Common Areas***" shall mean, refer to, and include all real property that has been given to, purchased, or otherwise acquired by the Association for the use and enjoyment of all members of the Association.

1.4. "***Declaration***" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions of The Preserve on FM 362, which have been filed in the property records of Waller County, Texas.

1.5. "***Tracts***" shall mean and refer to all the tracts comprising The Preserve.

1.6. "***Management Documents***" shall mean and refer to the Declaration, the Certificate, and these Bylaws.

1.7. "***Member***" or "***Members***" shall mean and refer to any person or entity who is an owner of an interest in one or more Tracts. Membership is mandatory for all persons or entities owning real property in The Preserve. Membership shall be appurtenant to, and shall run with, the property interest acquired by real property owners in The Preserve. Membership may not be severed from or in any way transferred, pledged, alienated from title to such real property interest. Membership shall terminate without any formal action by the Association whenever any person or entity ceases to be an owner, but such termination shall not relieve or release any former owner or member from liability or obligation incurred with the Association during the period of such ownership and membership in the Association, and shall also not impair any rights or remedies that the Association may have against any such former owner or member arising out of the Management Documents.

1.8. "***Member in Good Standing***" shall mean and refer to Members who have fully paid all dues and assessments made or levied against such Member. Only Members in Good Standing are allowed to be elected as board members of the Association and vote at any annual or special meetings of the Members.

1.9. "Owner" or "Owners" shall mean and refer to the record owner, whether one or more persons or entities of any fee simple owner of Tracts in The Preserve but excludes all mortgage beneficiaries.

1.10. "The Preserve on FM 362" shall mean and refer to the subdivision development consisting of approximately 142.54 acres located on FM 362 in Waller County, Texas, as reflected in the plat records of Waller County, Texas.

2. SECTION TWO: MEETINGS, MEMBERS, AND VOTING

2.1. **Annual Meetings.** The first annual meeting of the Members shall be called by the initial Board of Directors as identified in the Certificate. Subsequent annual meetings shall be held on the second Thursday of the same month each year at 7:00 p.m. for the purpose of transacting business of the Association and electing those Directors whose terms of office have expired.

2.2. **Special Meetings.** Special meetings of Members may be called at any time by the President, by a majority of a quorum of the Directors, or by a written request signed by at least 25% of the total votes of Members in Good Standing.

2.3. **Notice and Place of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of the Secretary or other persons authorized to call the meeting, by email or United States mail at least ten (10) days but not more than thirty (30) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of such meeting. Such notice shall specify the place, date, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

2.4. **Waiver of Notice.** A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting unless the Member objects to lack of notice when the meeting is called to order.

2.5. **Membership Voting.** Class A and B Members, as defined in Article 2 of the Declaration, shall cast votes at the meetings.

2.6. **Quorum.** The presence, either in person or by proxy, at any meeting of at least 25% of the Members in Good Standing shall constitute a quorum for any action except as otherwise provided in the Certificate of these Bylaws. The quorum requirement shall be waived for the initial annual meeting.

2.7. **Adjournment of Meetings.** If a quorum is not present or represented at any meeting, a majority of the Members in Good Standing may, unless otherwise provided by law, adjourn the meeting to a time and place not less than five (5) days nor more than thirty (30) days from the meeting date, at which meeting the quorum requirements shall be waived. Notice of the new meeting shall be given to Members as provided above in Section 2.3.

2.8. **Proxies.** At all meetings of Members, each Member in Good Standing may vote in person or by proxy. All Proxies shall be in writing and provided to the Secretary before the time of each such meeting. All proxies shall be revocable and shall automatically cease to have any effect upon the conveyance of Tracts by Members. No proxy shall be valid after eleven (11) months from the date thereof.

2.9. **Conduct of Meetings.** The President will preside over Members meetings. The Secretary will keep minutes of the meetings and will record in a minutes book the votes of the Members.

3. SECTION THREE: BOARD OF DIRECTORS, SELECTION, AND TERM OF OFFICE

3.1. Number. The affairs of the Association shall be managed by a Board of Directors of three (3) directors, who must be Members in Good Standing.

3.2. Term of Office. At the first meeting of the Association, the Members shall elect three directors to serve as President, Treasurer, and Secretary. The initial terms of these offices shall be three (3) years, two (2) years, and one (1) year, respectively. At each annual meeting thereafter, the Members shall elect directors for these offices for a term of Three (3) years to replace those whose terms have expired.

3.3. Removal of Directors. At any regular or special meeting of the Membership duly called, any one or more of the Directors may be removed, with or without cause, upon a majority vote of the quorum present, and a successor may then and there be elected to fill the vacancy thus created. If the vacancy is not then and there filled, it may be filled at any regular or special meeting called for that purpose, but in any event, such vacancy shall be filled at the next annual meeting of the Association. Any directors whose removal has been proposed shall be given an opportunity to be heard at the meeting.

3.4. Vacancies by Death or Resignation. In the event of the death or resignation of a director, a successor director shall be selected by a majority of the remaining directors and shall serve the remaining unexpired terms of such director. A director whose membership in the Association ceases because of the sale or conveyance of heir Tract in The Preserve shall be considered to have resigned.

3.5. Indemnification of Officers and Directors. The Association shall indemnify any person who is or was a party to any actual or threatened suit or proceeding, pending or completed, whether civil, criminal, administrative, or investigative, by reason of the fact that he/she is or was a an officer, director, committee member, employee, servant, or agent of the Association against any expenses, including attorney's fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him/her in connection with such action, suit, or proceeding if it is found and determined by the Board or a Court that he/she acted in good faith and in a manner that he/she reasonably believed to be in the best interests of the Association, and with respect to any criminal proceeding, had no reasonable cause to believe his/her conduct was unlawful. Expenses, liabilities, damages, costs, and incurred by The Association by reason of the foregoing indemnification provisions shall be treated as a common expense of the Association. The Association may purchase insurance to provide such indemnification, and that cost shall also be treated as a common expense of the Association.

3.6. No Compensation. No Director shall receive compensation for any services rendered to the Association. However, Directors may be reimbursed for actual expenses incurred in the performance of the Director's duties.

4. SECTION FOUR: NOMINATION, ELECTION, AND MEETING OF DIRECTORS

4.1. Nomination. Nominations for Director positions may be made by any Member in Good Standing. The first election of the Board shall be conducted at the first meeting of the Association. All Board positions must be filled at that election.

4.2. Regular Meetings. Regular meetings of the Board shall be held at such time, date, and place as set forth in these Bylaws, or by resolution of the Board. Notice of such meetings shall be made by US mail or email as provided herein.

4.3. Special Meetings. Special meetings of the Board may be called by the President or by both the Treasurer and Secretary by written notice to the Members, which shall contain the date, place, and time of the meeting. Notice must be given to all Members in Good Standing at least seven (7) days before the special meeting.

4.4. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

4.5. Conduct of Meetings. At all meetings, the President shall preside, but in his/her absence, a chair chosen by the other Directors present shall preside. If the Secretary is absent from any such meeting, the other Directors present shall appoint any Member in Good Standing to act as the Secretary. All meetings of the Board shall be open to all Members in Good Standing.

5. SECTION FIVE: POWERS AND DUTIES OF THE BOARD

5.1. Duties. The duties of the Board shall include, but are not limited to, the following:

5.1.1. Maintenance. Keep in good condition and repair all Common Areas and to designate and employ the necessary personnel for the maintenance and operation of the Common Areas.

5.1.2. Insurance. If the Board determines it is reasonable or necessary, to insure any or all improvements, if any, in the Common Areas, and to insure Board Members for their conduct and actions as Board Members as would be consistent with the provisions in these Bylaws.

5.1.3. Assessments. Determine the budgetary requirements of the Association and, based on that determination, fix the amount of annual assessments. Send written notice of each assessment to every Member at least thirty (30) days in advance of such assessment period. Suspend a Member's voting rights for any period during which an assessment is at least sixty (60) days delinquent, with reinstatement of voting rights once the delinquent assessment is fully paid.

5.1.4. Expenses and Obligations. Pay all expenses and obligations incurred by the Association in the conduct of its business, including all taxes or governmental charges imposed against the property of the Association.

5.1.5. Architectural Control Committee. Appoint an Architectural Control Committee, as provided in the Declaration, and appoint other committees as deemed appropriate in carrying out its purposes.

5.1.6. Records. Keep and maintain full and accurate books and records of all meetings and financial records which show all receipts, expenses, and disbursements, and prepare and deliver annually to each Member a financial statement summarizing all such transactions.

5.2. Powers. The powers of the Board shall include, but are not limited to, the following:

5.2.1. Enforcement. Administer and enforce the Declaration and these Bylaws.

5.2.2. Disciplinary Action. Initiate and execute disciplinary actions against Members for violation of the Declaration and these Bylaws by litigation or otherwise.

5.2.3. Assessments and Disciplinary Action. Levy and collect assessments and take disciplinary action against Members for failure to pay assessments.

5.2.4. Adoption of Rules. Adopt and publish rules and regulations governing Common Areas.

5.2.5. Manager. Manage the affairs of the Association including, if necessary, employing a manager, independent contractor, or such other employee as the Board deems necessary for the application of the requirements of these Bylaws and the Declaration.

5.2.6. Contracts. Contract for goods and services for the Association, subject to the limitations set forth in these Bylaws.

5.2.7. Delegation. Delegate its authority and powers to committees, officers, or employees of the Association.

5.2.8. Budgets. Prepare budgets and financial statements for the Association as required by these Bylaws.

5.2.9. Bank Accounts. Establish one or more bank accounts for the common treasury and funds collected by the Association. Two signatures from the Board Members shall be required for all checks written by the Association.

5.3. Action Requiring Consent. The Board may take the following action only upon obtaining the consent of the Members as follows:

5.3.1. Action Requiring 25% Approval. The vote or written consent of at least twenty-five percent (25%) of the Members in Good Standing shall be necessary to (1) enter into a contract with a third-party to furnish goods or service for the Association for a term longer than one (1) year, except for contracts with public service utility companies, (2) buy prepaid casualty/liability insurance for Common Areas and liability insurance for Directors as would be reasonable and consistent with these Bylaws, (3) incur expenses for capital improvements in excess of five percent (5%) of the budgeted gross receipts of the Association for any fiscal year, and (4) fill a vacancy on the Board created by the removal of a Director.

5.3.2. Action Requiring 51% Approval. The vote or written consent of at least fifty-one percent (51%) of the Members in Good Standing shall be necessary to borrow money for, and in the name of, the Association.

5.3.3. Action Requiring 100% Approval. The vote or written consent of one hundred percent (100%) of the Members in Good Standing shall be necessary to transfer all, or substantially all, of its assets, or file a certificate of dissolution.

6. SECTION SIX: OFFICERS AND THEIR DUTIES

6.1. Enumeration of Officers. The officers of the Association shall be as follows:

6.1.1. President, who shall at all times be a Director;

6.1.2. Treasurer, who shall at all times be a Director;

6.1.3. Secretary, who shall at all times be a Director; and

6.1.4. Such other officers as the Board may deem from time to time by resolution to create.

6.2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

6.3. **Term.** The officers of the Association shall be nominated, elected, and hold office as set forth in Sections Three and Four of these Bylaws.

6.4. **Multiple Offices.** No person shall simultaneously hold more than one office.

6.5. **Duties.** The duties of the officers are as follows:

6.5.1. **President.** The President shall be the chief executive officer of the Association, shall preside at all meetings of the Board and the Association, and shall have all the general powers and duties that are usually vested in the office of president of a property owners' association. The President shall have the power to appoint committees comprised of Members in Good Standing, and is authorized to sign, with the Secretary, contracts for the Association that have been authorized by the Board. The President is also authorized to be one of the two signatories on checks written by the Association.

6.5.2. **Treasurer.** The Treasurer shall be responsible for Association funds and shall keep accurate books and records of all receipts and disbursements of the Association. The Treasurer shall have the power to perform all the duties incident to the office of Treasurer and such other duties as may be assigned to him/her from time to time by the President. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association (whether from annual dues or special assessments) and shall disburse such funds in the ordinary course of business provided, however, that a resolution of the Board shall be required for any disbursements for an amount in excess of \$2,500 (excluding the payment of invoices from utility providers). The Treasurer may be designated to co-sign checks of the Association.

6.5.3. **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and of all meetings of the Members of the Association. The Secretary shall compile and keep current lists of all Members and their contact information so as to identify which Tracts are owned by which Members. The Secretary shall see that all notices of meetings are duly sent in accordance with these Bylaws, and perform all other duties incident to, and assigned to him/her, by the President.

7. **SECTION SEVEN: FISCAL POLICIES**

7.1. **Fiscal Year.** The fiscal year of the Association shall begin on January 1st and end on December 31st of each year.

7.2. **Financial Statements.** Accounting and controls must conform to good accounting practices. Association accounts will not be commingled with accounts of other people. The following financial reports will be prepared and distributed to all Members at least annually:

7.2.1. **Budget.** A projected operating budget for each year shall be distributed at least thirty (30) days before each fiscal year begins.

7.2.2. Annual Report. An annual report consisting of (1) a balance sheet as of the last day of the preceding period; (2) an income statement reflecting all income and expense activity for the preceding period; (3) a statement reflecting all cash receipts and disbursements for the preceding period; (4) a delinquency report listing by Tract and Owner those who are delinquent by more than thirty (30) days in paying any Assessment and describing the status of any action to collect those delinquent Assessments; (5) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format, and (6) a report accurately reflecting any changes in financial position compared to the end of the last fiscal year. Annual reports shall be distributed to Members within ninety (90) days of year end.

8. SECTION EIGHT: BOOKS AND RECORDS

8.1. Inspection by Members. All books and records of the Association shall be made available for inspection and copying by any Member at any reasonable time and place and for a purpose reasonably related to the Member's interest. These books and records include lists of Members and lists of Members in Good Standing, minutes of Member meetings, and minutes of Board and committee meetings.

8.2. Rules for Inspection. The Board shall establish reasonable rules for inspection, including the time and location for inspection, and for the payment of costs related to a Member's request for copying.

8.3. Inspection by Directors. Every Director has an absolute right to inspect the books and records of the Association at any reasonable time.

9. SECTION NINE: OBLIGATION OF THE MEMBERS

9.1. Assessments. Each Member is obligated to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Assessments not paid within thirty (30) days of the due date are considered delinquent. Unpaid assessments will bear interest at a rate to be determined by the Board, but interest will never be charged at a rate that exceeds the maximum legal interest rate. The Association may take legal action against Members personally for delinquent assessments and seek reasonable attorney's fees, interest, and costs in addition to the unpaid assessment.

9.2. Damage to Common Areas. Each Member shall be liable to the Association for damage to the Common Areas caused by the Member's negligence or intentional conduct, or by any of the Member's invitees, friends, family members, or lessees. The Member and his/her invitees, friends, family members, or lessees will be jointly and severally liable for such damage. The amount of such damage will be assessed against the Member's property in The Preserve and may be collected as provided in these Bylaws for the collection of assessments.

9.3. General. Each Member shall comply with the provisions of the Declaration, these Bylaws, and all rules and amendments and supplements thereto. Each Member shall always endeavor to observe and promote the general welfare of The Preserve and the purposes for which these Bylaws and the Declaration were established.

10. SECTION TEN: AMENDMENTS

10.1. Amendment of Bylaws. These Bylaws may be amended at a regular or special meeting of the Members by a vote of sixty-six and two-thirds percent (66 2/3%) of the Members in Good Standing present at such meeting, in person and by proxy.

10.2. Interpretation. In the case of any conflict between the Certificate of Incorporation for the Association and these Bylaws, the Certificate shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

CERTIFICATION

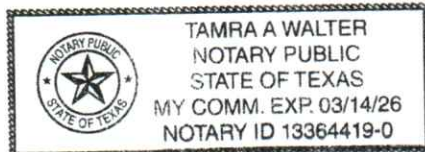
We, the undersigned, do hereby certify that we are the initial Officers of The Property Owners' Association of The Preserve on FM 362. The foregoing Bylaws of The Property Owners' Association of The Preserve on FM 362 were duly adopted at a meeting of the Board of Directors thereof, held effective on the 25th day of September 2024.



Robert L. Galatas, President

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 6 day of JUNE, 2025 by Robert L. Galatas, as President of The Property Owners' Association of The Preserve on FM 362, on behalf of said corporation and in the capacity stated therein.





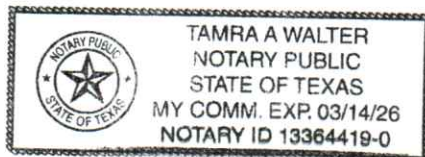
Notary Public, State of Texas



Laurel Galatas, Director, Treasurer, and Secretary

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 6 day of JUNE, 2025 by Laurel Galatas, as Treasurer and Secretary of The Property Owners' Association of The Preserve on FM 362, on behalf of said corporation and in the capacity stated therein.





Notary Public, State of Texas