

BYLAWS OF
SOUTH MACGREGOR CIVIC CLUB, INC.

ARTICLE 1
NAME AND LOCATION

1.1. Name. The name of this corporation, which is a nonprofit corporation organized under the Nonprofit Corporation Act of the State of Texas (Business Organizations Code, Title 2, Chapter 22), is South MacGregor Civic Club, Inc. (hereinafter the "Corporation").

1.2. Office. The principal office of this Corporation shall be situated in the State of Texas at such specific location as the Board of Directors shall determine from time to time.

1.3. Neighborhood. The Corporation's neighborhood is the area in Houston and Harris County, Texas, within Riverside Terrace Subdivision Sections 8, 9 and 16 and Southland Terrace Subdivision Blocks 1, 22, 26, 27, 29, 30, 31, 32, 35, 36, 37 and 38 which comprises the following streets and city blocks:

- (a) The 5500 and 5800 block of Ardmore from South MacGregor to Shenandoah
- (b) The 3200 and 3300 blocks of Charleston from Ardmore to Del Rio
- (c) The 6000 and 6100 blocks of Del Rio from Charleston to Tampa
- (d) The 3200 block of Milburn from Ardmore to Bowling Green
- (e) The 3200 block of Oakmont from Ardmore to South MacGregor
- (f) The 3200 and 3300 blocks of Ozark from Ardmore to Del Rio
- (g) The 3200 and 3300 blocks of Parkwood from Ardmore to Del Rio
- (h) The 3200 block of Shenandoah from Ardmore to Parkwood
- (i) The 3100, 3200 and 3300 blocks of South MacGregor from Ardmore to Del Rio
- (j) The 3200 and 3300 blocks of Tampa from Ardmore to Del Rio.

ARTICLE 2
PURPOSE

2.1. Purpose. The Corporation is organized and operated for the following purposes:

a. To preserve, maintain and protect the Corporation's neighborhood as a community of single family residents;

b. To administer and enforce the terms of that certain Restrictive Covenant Agreement as amended (the "Restrictive Covenant Agreement") that relates to the Corporation's neighborhood and that was originally executed and acknowledged as of December 22, 2004 and filed for record in the official public records of real property of Harris County, Texas on December 27, 2004;

c. To promote the general welfare and common good of the Corporation's neighborhood, its environs and broader community;

d. To sponsor, promote and support civic activities, and encourage governments and governmental agencies to make decisions, adopt legislation, promulgate regulations and take actions, that will maintain or enhance the quality of life in the Corporation's neighborhood, environs and community;

e. To have and use all powers, rights and privileges of a nonprofit corporation of the State of Texas; and

f. In the event the Corporation seeks to obtain exemption from taxes within the meaning of Sec. 501(c)(4) of the Internal Revenue Code of 1986 (as amended) or any other provision of the Internal Revenue Code or the corresponding provisions of any future United States internal revenue law, the Corporation shall operate in accord with the statutes and regulations relating to such exemption.

ARTICLE 3 **MEMBERSHIP**

3.1. Membership. Any adult who is a property owner within the Corporation's neighborhood and who is subject to the Restrictive Covenant Agreement by execution or ratification of same is a member of the Corporation; provided however that voting and other privileges of membership are conditional upon payment of the annual dues established pursuant to these Bylaws. All adults who are members in good standing of the South MacGregor Civic Club, an unincorporated association, and who are subject to the Restrictive Covenant Agreement at the time of the organization of the Corporation and adoption of these Bylaws shall automatically be members of the Corporation until January 1, 2014.

3.2. Voting Rights and Other Privileges. Each member in good standing, including payment of dues, shall be entitled to vote with respect to those matters submitted to the members for action or approval; provided, however, that for each lot, tract or real estate parcel with a separate street address there shall be a single vote with respect to any matter voted on. All members who share ownership of the property at a single street address must agree as to how the vote for such property is to be cast. Votes may be taken by voice, by a show of hands or by written ballot. Voting members shall have no right to cumulate their votes.

Proxy voting by members shall be permitted but only in accord with the following restrictions:

- a) The person granting the proxy must be entitled to vote and must provide a written document to the President or Secretary of the Corporation at least one day prior to the date of the meeting which (i) states the date of the meeting as to which the proxy is granted; (ii) states that the grantor will not attend the meeting and (iii)

names the person who will act on the grantor's behalf and vote for the grantor at the meeting.

- b) A grant of proxy shall be valid only for a single meeting and shall be null and void after the date of the meeting
- c) No person may receive and exercise more than one proxy at any meeting.
- d) The grantee of a proxy may decline to exercise it and in such case no vote shall be cast on behalf of the grantor of the proxy.
- e) At any meeting, no more than Ten Percent (10%) of the votes may be made by proxy. If there is more than one proxy at any meeting and this 10% restriction requires the disallowance of one or more proxies, the President, Secretary or other officer chairing the meeting shall determine which proxy or proxies shall be disallowed by a drawing of lots.

The privilege of holding office in the Corporation, making motions, debating and voting is limited to members current in the payment of dues. Notwithstanding the foregoing, the President or chair of any meeting may grant non-Members the privilege of making statements for consideration by the membership.

3.3. Membership Dues and Special Assessments. All members shall pay annual membership dues to the Corporation in such amounts and in such manner as the Board of Directors determines from time to time. Each year the Board of Directors shall specify a date, and give all members prior written notice thereof, when membership dues are due.

Special assessments may be levied by a two-thirds vote of all members of the Club.

3.4. Meetings of Members. Regular meetings of the voting members shall be held at such dates and times as the Board of Directors may fix in the notice of such meeting at such place as may be designated by the Board of Directors. The Board of Directors shall hold at least one annual meeting of members and one other regular meeting each calendar year.

On even numbered calendar years an annual meeting shall be held in November for the election of directors and officers but if for any reason such meeting is not held, they may be elected in any special meeting of the voting members held for that purpose.

Special meetings of the voting members for any purpose or purposes may be called at any time by the President or by a majority of the directors, or upon written petition by at least ten percent (10%) of the voting members.

Unless the Board of Directors determines otherwise as to any meeting, all meetings of members shall be closed to the general public.

3.5. Notice of Meetings of Members. Notice of each regular and special meeting shall be given to each member entitled to vote thereat, either personally or by prepaid mail, or by facsimile transmission or other electronic means, addressed to each member at the address

appearing on the books of the Corporation. Such notices shall be sent not less than ten (10) and not more than sixty (60) days before each meeting, and shall specify the place, day, and hour of the meeting and shall state the general nature of the business to be considered in such meeting. The notice of the annual meeting shall designate it as such.

3.6. Quorum. The presence in person of the lesser of Fifteen (15) voting members or Twenty-Five percent (25%) of the voting membership shall constitute a quorum. Consistent with Section 3.2 that provides for one vote per street address, only one member per street address shall be counted in determining the existence of a quorum. Proxy votes shall not be counted in determining the presence of a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the members present. The vote by a majority of the votes entitled to be cast by the members present at which a quorum is present is the act of the members meeting unless the vote of a greater number is required by law, the Certificate of Formation or these Bylaws.

ARTICLE 4 **DIRECTORS**

4.1. Powers. Subject to any limitations of the Certificate of Formation, the Texas Nonprofit Corporation Act or these Bylaws, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the Corporation shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers:

(a) To prescribe such powers and duties for officers as may not be inconsistent with law, with the Certificate of Formation, or these Bylaws.

(b) To conduct, manage and control the affairs of the Corporation, and to make such rules and regulations therefor, not inconsistent with law, or with the Certificate of Formation, or these Bylaws, as they may deem best.

(c) To designate any place for the holding of any membership meeting or Board of Directors meeting, to change the principal office of the Corporation for the transaction of its business from one location to another; to adopt make and use a corporate seal and to alter the form of such seal from time to time, as, in their judgment, they may deem best, provided such seal shall at all times comply with the provisions of law.

(d) To manage in such manner as they may deem best, all funds and property, real and personal, received and acquired by the Corporation, and to distribute, loan or dispense the same or the income and profits therefrom.

4.2. Number of Directors. The Board of Directors shall consist of five officers and eight additional directors; provided however that the number of additional directors may be changed

from time to time by action of the voting members. No decrease in the number of directors shall shorten the term of any director then in office.

4.3. Qualifications for Office. At the inception and throughout his or her term of office, each director must be a voting member in good standing (including payment of dues) with this Corporation. Each director shall serve without compensation except for reasonable expenses incurred for the Corporation. Each director shall be at least 18 years of age.

4.4. Election of Directors. All directors shall be elected by majority vote of the voting members of the Corporation; provided however that until the first election of directors in November 2014, the board of directors shall be those persons elected by the initial board of directors designated in the Corporation's Certificate of Formation and such other persons as that elected board may further elect. If there are multiple candidates for any director position and no one candidate secures a majority in the initial vote, there shall be a runoff election between the two candidates with the highest number of votes. The term of each director, upon being elected to office, shall begin at the beginning of the next calendar year.

4.5. Term of Office. Subject to the longer initial terms as hereinafter provided, the regular term of office for each director shall be Two Years, unless sooner terminated by death, incapacity, resignation or removal. There shall be staggered terms for the Board of Directors so that approximately half of the directors will be elected each voting year. There shall be two classes of directors: Class 1 shall have an initial term that terminates on January 1, 2017 and Class 2 shall have an initial term that terminates on January 1, 2015. Class 1 shall have seven directors including the President, Treasurer and Secretary. Class 2 shall have six directors including the Vice President and Financial Secretary. The Board of Directors shall designate the non-officer members of the two classes of directors serving initial terms.

Directors may be elected to no more than two (2) successive terms. A director who has served all or part of two (2) successive terms shall be ineligible for reelection for one (1) year. All directors shall hold office until the expiration of the term for which each was elected, until a successor has been duly elected and qualified, or until the director's prior resignation or removal as hereinafter provided. Notwithstanding the foregoing, if the Board of Directors determines that there are an inadequate number of members willing to serve as director in any election, the Board of Directors may waive the restrictions relating to successive terms.

4.6. Nomination of Directors and Officers. Prior to the November meeting of voting members in even-numbered years, the Board of Directors shall select a committee to present a list to the Board of Directors containing the names of eligible nominees as directors and officers for the ensuing year. Said list shall contain the names of at least one eligible nominee to each vacancy. In case the Board of Directors fails, for any reason, to elect such a committee within the time specified, then it shall be the duty of the President to appoint such a committee. Nominations made by the committee for directors and officers must be delivered to the Secretary at least sixty (60) days before the annual meeting of the voting members. The Secretary shall attach a list of nominees to the notification of the annual meeting of the voting

members. Notwithstanding the foregoing, additional nominations shall be received from members at the meeting held for election of officers and directors and such nominations, if any, shall be accepted if the nominated person is qualified and agrees to serve.

4.7. Removal, Resignation. Any director may resign from office at any time by giving written notice thereof to an officer of the Corporation. Any director may be removed with cause by a two-thirds vote of all of the other directors then in office.

Cause for removal exists whenever a director:

(a) fails to attend three (3) consecutive regular meetings of the Board of Directors and/or of the members, notwithstanding that he or she otherwise qualifies for office;

(b) is convicted of a felony;

(c) has committed a material breach of his or her fiduciary duty; or

(d) ceases to be a member in good standing of the Corporation while in office as a director.

4.8. Existence of Vacancies. A vacancy in the Board of Directors exists in case of the happening of any of the following events:

(a) The death, incapacity, resignation, or removal of any director.

(b) The authorized number of directors is increased.

4.9. Filling of Vacancies. The Board of Directors shall fill the remaining term of any vacancy by election of the members at the next general or a special meeting of members.

4.10. Place and Number of Meetings. Meetings of the Board of Directors shall be held at any place which has been designated from time to time by resolution of the Board or by written consent of all directors. In the absence of such designation, meetings shall be held at the principal office of the Corporation. The Board shall hold at least one annual meeting and two other meetings each calendar year.

4.11. Special Meetings. Special meetings of the Board of Directors for any purpose(s) may be called at any time by the President, or by the Vice President at the direction of the President, or if the President is absent, or unable or refuses to act, by one-third of the directors then in office.

4.12. Notice of Meetings. A regular meeting of the directors may be held without prior notice. Notice of the time and place of special meetings of the Board shall be given personally to the directors or sent by mail or other form of communication, charges prepaid, addressed to

the director at their address as shown upon the records of the Corporation at least three (3) days in advance of such meeting. Such notice shall state the general nature of the business to be considered at the special meeting.

4.13. Quorum and Voting. A quorum will consist of at least seven directors including the President or Vice President; provided that if the meeting is a special meeting called by one-third of the directors then in office, a quorum does not require the presence of the President or vice President. Proxy votes shall not be counted in determining the presence of a quorum. Every act or decision done or made by a majority of the directors present at a meeting duly held, at which a quorum was present, shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Certificate of Formation or by these Bylaws. Each director present shall be entitled to one (1) vote.

Proxy voting by directors shall be permitted but only in accord with the following restrictions:

- a) The person granting the proxy must be entitled to vote and must provide a written document to the President or Secretary of the Corporation at least one day prior to the date of the meeting which (i) states the date of the meeting as to which the proxy is granted; (ii) states that the grantor will not attend the meeting and (iii) names the person who will act on the grantor's behalf and vote for the grantor at the meeting.
- b) A grant of proxy shall be valid only for a single meeting and shall be null and void after the date of the meeting
- c) No person may receive and exercise more than one proxy at any meeting.
- d) The grantee of a proxy may decline to exercise it and in such case no vote shall be cast on behalf of the grantor of the proxy.
- e) At any meeting, no more than Ten Percent (10%) of the votes may be made by proxy. If there is more than one proxy at any meeting and this 10% restriction requires the disallowance of one or more proxies, the President, Secretary or other officer chairing the meeting shall determine which proxy or proxies shall be disallowed by a drawing of lots.

A director may participate in any meeting of the directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph constitutes presence in person at the meeting.

The transactions of any meetings of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though they had a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

4.14. Presumption of Assent. A director who is present at any meeting of the directors, or a committee thereof of which the director is a member, at which action on a corporate matter is taken, is presumed to have assented to such action unless a dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as the secretary of the meeting before or promptly after the adjournment thereof. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a dissent with the Secretary of the Corporation within a reasonable time after obtaining knowledge of the action.

4.15. Action By Unanimous Written Consent. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as if taken by a unanimous vote of directors, if authorized by writing signed individually or collectively by all directors. Such consent shall be filed with the regular minutes of the Board.

4.16. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

4.17. Committees. Committees of the Board of Directors shall be standing or special. The Board of Directors or the President may refer to the proper committee any matter affecting the Corporation or any operations needing study, recommendation, or action. The Board may establish such standing or special committees as it deems appropriate with such duties and responsibilities as it shall designate, except that no committee has the power to do any of the things a committee is prohibited from doing under the Texas Nonprofit Corporation Act. The Board shall appoint the members of such committee(s) and/or shall appoint the Chair of such committee(s) and instruct said Chair to appoint other members of same. Persons other than directors may be appointed to such committees, but the Chair of each committee must be a director of the Corporation.

ARTICLE 5

OFFICERS

5.1. Number and Selection. The officers of the Corporation shall be elected for two year terms by majority vote of the members and shall consist of President, Vice President, Secretary, Financial Secretary and Treasurer; provided however that until the first election of officers in November 2014 the Board of Directors shall elect the officers. If there are multiple candidates for any office and no one candidate secures a majority in the initial vote, there shall be a runoff election between the two candidates with the highest number of votes. Any two or more offices may be held by the same person except the offices of President, Secretary and Treasurer. Each officer shall hold office until a successor is elected and qualified, or until the officer's resignation, death or removal. Vacancies in offices shall be filled by election of the

members as provided in Section 4.9; provided however that the Board of Directors may elect one of the remaining directors to serve in a vacant office until the members have elected a replacement to serve the remaining term of the vacant office. In the event of the resignation of the President, the Vice President shall become President.

5.2. Qualifications. The Board of Directors may specify meeting attendance or other qualifications that all nominees for office or nominees for a specific office must satisfy.

5.3. Resignation. The resignation of any officer shall be tendered in writing to any other officer and shall be effective as of the date stated in the resignation.

5.4. President. The President shall be the chief executive and operating officer of the Corporation, and subject to the direction and under the supervision of the Board of Directors, shall have general charge of the business affairs and property of the Corporation. Subject to the provisions of Section 4.13, the President or Vice President shall preside at all meetings of the Board of Directors. The President shall decide all questions of procedure and order for the Corporation in accordance with these Bylaws. The President may vote on any matter, but shall not be required to vote except in case of a tie vote of the other directors. The President shall be an ex officio member of all committees of the Corporation. The President shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws or the Board of Directors.

No person shall be elected to the office of President for more than two consecutive terms and no person who has held the office of the President or acted as President for more than one year of a term to which some other person was elected President shall be elected to the office of President more than once. After an intervening election, said person will be eligible for nomination to the office of President at subsequent elections. Notwithstanding the foregoing, if the Board of Directors determines that there are no members willing to serve as President in any election, the Board of Directors may waive the restrictions relating to successive terms.

5.5. Vice President. At the request of the President, or in the President's absence or disability, the Vice President shall perform all the duties of the President. When so acting, the Vice President shall have all of the powers of, and be subject to all the restrictions upon the President. The Vice President shall have such other duties and responsibilities and may exercise such other powers as from time to time may be assigned by the President or the Board of Directors or as may be provided in these Bylaws.

5.6. Secretary. The Secretary shall cause to be kept at the principal office of the Corporation, the Secretary's principal place of business, or such other place as the Board of Directors may order, the official seal of the Corporation (if any), the membership book and a book of minutes of all meetings of directors and members. The Secretary shall keep a membership book containing names and addresses of each member, and the date upon which the membership ceased. The Secretary shall give the notices of the special meetings of the

voting members as provided in these Bylaws. The Secretary shall also maintain and protect a file of all official and legal documents of the Corporation. The Secretary shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or these Bylaws.

5.7. Treasurer. The Treasurer shall have custody of all Corporation funds; keep full and accurate accounts of all receipts and disbursements of the Corporation, an inventory of assets, and a record of the liabilities of the Corporation; deposit all money and other securities in such depositories as may be designated by the Board of Directors; disburse the funds of the Corporation as ordered by the President or the Board of Directors taking proper vouchers for disbursements; and prepare all statements, reports and tax returns required by law, by the President or by the Board of Directors. It shall be the duty of the Treasurer to report the finances of the Club at each regular meeting. He shall be a member of all committees of the Club that receive or disburse money. He shall secure and the Corporation shall pay for a fidelity bond as prescribed by the Board of Directors. The Treasurer shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws, the Board of Directors, or the President. The Board of Directors or the President may delegate all or part of the authority and duties of the Treasurer to subordinate officers.

5.8. Financial Secretary. It shall be the duty of the Financial Secretary to receive dues from each member, issue receipts for same and to maintain membership records. The records of the Financial Secretary shall determine which members and directors are qualified to vote. Not later than the second business day after the date notice is given for a meeting of members, the Financial Secretary shall prepare an alphabetical list of the names and addresses of all voting members entitled to vote at the meeting and this list must be available for inspection by the members after such day and also available for inspection at any time during the meeting or an adjournment of the meeting.

5.9. No Salaries. The officers shall serve without salary but may be reimbursed for their approved expenses.

5.10. Transition. To maintain Corporation continuity, officers whose terms of office have expired shall assure the orderly transition of authority to their successors before being relieved of their responsibilities. Similarly, officers whose terms of office have expired shall take all appropriate steps to substitute their successors on all of the Corporation's financial accounts and signature cards.

ARTICLE 6
PROHIBITED ACTIVITIES

6.1. Actions Jeopardizing Tax Status. In the event the Corporation is determined to be exempt in any way from local, state or federal taxation, the Corporation shall not carry on any activities not permitted under the relevant statutes or regulations providing for such exemption.

6.2. Private Inurement. No part of the net income or net assets of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, members or other private persons. However, the Corporation is authorized to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its tax exempt purposes.

6.3. Non-Discrimination. In the conduct of all aspects of its activities, the Corporation shall not discriminate on the grounds of race, color, national origin or gender.

6.4. Litigation. The Corporation shall not be a voluntary party in any litigation without the prior written approval of the Board of Directors.

ARTICLE 7
OTHER FINANCIAL MATTERS

7.1. Property of the Corporation. The title to all property of the Corporation, both real and personal, shall be vested in the Corporation.

7.2. Disposition Upon Dissolution. Upon the dissolution or winding up of the Corporation, or in the event it shall cease to engage in carrying out the purposes and goals set forth in these Bylaws, all of the business, properties, assets and income of the Corporation remaining after payment, or provision for payment, of all debts and liabilities of this Corporation, shall be distributed to a nonprofit fund, association, or corporation which is organized and operated exclusively for tax exempt purposes which are reasonably related to the purposes and goals of this Corporation, as may be determined by the Board of Directors of this Corporation in its sole discretion.

7.3. Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to a specific instance. Unless so authorized by the Board of Directors, no officer or agent shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it financially liable for any purpose or to any amount. When the execution of any contract or other instrument has been authorized by the Board of Directors without specification of the executing officer, the President, either alone or with the Secretary or any Assistant Secretary, may execute the same in the name of, and on behalf of, the Corporation, and any such officer

may affix the corporate seal (if any) of the Corporation thereto.

7.4. Financial Accounts. The Corporation may establish one or more checking accounts, savings accounts or investment accounts with appropriate financial entities or institutions as determined in the discretion of the Board of Directors to hold, manage or disburse any funds for Corporation purposes. All checks, drafts or other orders for the payment of money shall be signed by such officer(s) or agent(s) of the Corporation, and in such manner, as is determined by the Board of Directors from time to time.

7.5. Appointment and Employment of Advisors. The Board may from time to time appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies or formulating and executing programs to implement the Corporation's purposes. The Board is authorized to contract with such persons, including attorneys, accountants, agents and others as in its opinion are needed for the administration of the Corporation and to pay reasonable compensation for services and expenses thereof.

7.6. Corporate Records. All official records of the Corporation shall be open to any member for his inspection upon request.

7.7. Limitations on Debt. No debt shall be incurred by the Corporation beyond the accounts payable incurred by it as a result of its ordinary operating expenses. Specifically, without limitation, no loan shall be made to any officer or director of the Corporation. Any director or officer who assents to or participates in the making of any such loan shall be liable, in addition to the borrower, for the full amount of the loan until it is fully repaid.

7.8. Liability of Directors and Officers. No director or officer of the Corporation shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors or other claimants shall rely solely upon the Corporation's assets for payment.

7.9. Liability of Members. No member of the Corporation shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors or other claimants shall rely solely upon the Corporation's assets for payment.

7.10. Property Interests Upon Termination of Membership. Members have no interest in the property, assets or privileges of the Corporation. Cessation of membership shall operate as a release and assignment to the Corporation of all right, title and interest of any member, but shall not affect any indebtedness of the Corporation to such member.

7.11. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

ARTICLE 8

INDEMNIFICATION

8.1. Right to Indemnification. Each person who was or is a party to or is threatened to

be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (hereinafter referred to as a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation shall be indemnified and held harmless by the Corporation to the fullest extent authorized by Texas law, as it exists or may be amended (but, in the case of any such amendment, only to the extent that the amendment permits the Corporation to provide broader indemnification rights than state law permitted the Corporation to provide before the amendment), against all expenses, liability, and loss (including attorney fees, judgments, fines, or penalties and amounts to be paid in settlement) reasonably incurred by the person in connection therewith, and the indemnification shall continue for a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that the Corporation shall indemnify any person seeking indemnification in connection with a proceeding, or part thereof, initiated by that person only if the proceeding, or part thereof, was authorized by the Board of Directors of the Corporation. To the extent authorized by state law, the Corporation may, but shall not be required to, pay expenses incurred in defending a proceeding in advance of its final disposition. The right to indemnification conferred in this article shall be a contract right.

8.2. Non-Exclusivity of Rights. The right to indemnification conferred in this article shall not be exclusive of any other right that any person may have or acquire under any law, agreement or otherwise.

8.3. Insurance. The Corporation may purchase and maintain insurance to protect itself and any person who is or was a director, officer or agent of the Corporation against any expense, liability or loss, whether or not the Corporation would have power to indemnify the person against the liability under these Bylaws or the laws of the state of Texas.

8.4. Changes in Texas Law. If there is any change of the Texas statutory provisions applicable to the Corporation relating to the subject matter of this Article, then the indemnification to which any person shall be entitled under this Article shall be determined by the changed provisions, but only to the extent that the change permits the Corporation to provide broader indemnification rights than the provisions permitted the Corporation to provide before the change.

8.5. Amendment or Repeal of Article. No amendment or repeal of this Article shall apply to or have any effect on any director, officer or agent of the Corporation for or with respect to any acts or omissions of the director, officer or agent occurring before the amendment or repeal.

8.6. Impact of Tax Exempt Status. The rights to indemnification set forth in this Article are expressly conditioned upon such rights not violating the Corporation's status, if applicable, as a tax exempt organization described in Section 501(c) of the Internal Revenue Code of 1986, as amended.

ARTICLE 9
AMENDMENTS TO BYLAWS

9.1. Amendment. These Bylaws may be amended at any time by a Two-Thirds (2/3rds) vote of the members at any meeting, provided however that such amendment(s) shall have been submitted in writing to the entire membership at least ten (10) days prior to such meeting.

9.2. Inspection of Bylaws. The original or copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall at all times be kept in the principal office of the Corporation for the transaction of business, and shall be open to inspection by the members, officers and directors at all reasonable times during office hours. A copy of these Bylaws and a summary of significant resolutions of the Board of Directors that implement the terms thereof shall be provided to the members. A copy of the Restrictive Covenant Agreement as amended, or a summary thereof, shall also be provided to the members.

I, Raffaele Sepe, hereby certify that I am the duly elected Secretary of South MacGregor Civic Club, Inc.; that attached hereto are these Bylaws of said corporation, and that these Bylaws have been duly adopted by the Corporation's Board of Directors and are in full force and effect as of the date hereof.

Dated: September 4, 2013

Raffaele Sepe, Secretary