

BY-LAWS
OF
CYPRESS CREEK FLOOD CONTROL COALITION
(Effective Date: 18 July, 2001)

ARTICLE I.
NAME AND LOCATION

The name of the corporation is CYPRESS CREEK FLOOD CONTROL COALITION, hereinafter sometimes referred to as the "Corporation". The principal office of the Corporation shall be located at 12526 Texas Army Trail, Cypress, Harris County, Texas 77429, or at such other address as may be designated by the Corporation's Board of Directors, but meetings of Members and Directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "*Board*" shall mean and refer to the Corporation's Board of Directors.

Section 2. "*Charter members*" shall mean and refer to those civic clubs, property owners' associations and/or municipal utility districts located within or adjoining the Cypress Creek Water Shed having signed, via a duly authorized representative, a document evidencing their respective membership in the Corporation (e.g., a "Charter") on or before January 30, 2000, and which have been certified for membership at a regular or special meeting of the Corporation's Board of Directors.

Section 3. "*Corporation*" shall mean and refer to CYPRESS CREEK FLOOD CONTROL COALITION, a Texas non-profit corporation, its successors and assigns. The Corporation is an alliance of civic clubs, property owners' associations, municipal utility districts, business firms and/or other organizations, which corporation was formed for the purpose of promoting timely solutions to interrelated issues of (1) flood control, (2) conversion to surface sources of community water supply, and (3) green-belt recreational development within the Cypress Creek Water Shed by doing any and/or all things which might be necessary or useful or desirable for accomplishment of its objectives and/or other actions the Corporation deems desirable.

Section 4. "*Regular members*" shall mean and refer to those civic clubs, property owners' associations, municipal utility districts and/or other community organizations located within or adjoining the Cypress Creek Water Shed, other than Charter members, which have applied for membership and which have been certified for membership at a regular or special meeting of the Corporation's Board of Directors. The granting of membership status ("Charter", "Regular" or "Supporting") shall be within the sole discretion of the Corporation's Board of Directors, and shall be determined by majority vote of the Board.

Section 5. "*Members*" shall mean and refer to charter members or regular members of the Corporation. Charter members and Regular members shall have equal rights and responsibilities.

Section 6. "*Supporting members*" shall mean and refer to municipalities, business firms/establishments, other organizations and/or individuals which have applied to be Supporting members and which have been certified Supporting members at a regular or special meeting of the Corporation's Board of Directors. Supporting members shall not be entitled to voting rights.

ARTICLE III. PROHIBITION AGAINST SHARING IN EARNINGS AND ASSETS

Member payments and other revenues, if any, received by the Corporation shall be used solely to further its purpose(s) and shall not personally benefit any of its members, Directors, officers or any private individual. Except as provided below, no member, Director, officer, or employee shall directly receive, at any time, any sums of money from the Corporation, provided that this shall not prevent the payment to any such person of a reasonable sum for expenses incurred in effecting the purposes of the Corporation as shall be fixed by the Board of Directors; and no such person shall be entitled to share in the distribution of any of the assets of the Corporation whether voluntary or involuntary.

In the event of the dissolution of the Corporation, other than incident to a merger or consolidation, or in the event the Corporation shall cease to carry out the objectives and purposes herein set forth, all liabilities and obligations of the Corporation shall be paid, satisfied and discharged. Assets held by the Corporation upon conditions requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements. The remaining assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. In no event shall any of said assets or property, in the event of dissolution thereof, go or be distributed to members, either for the reimbursement of any sum subscribed, donated or contributed by such members, or for any other such purpose. Any such assets not so disposed of shall be disposed of by a district court of the county in which the Corporation's principal office is located to one (1) or more organizations exempt under section 501(c)(3) or its successor statute.

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Annual Meetings. The Annual Meeting of the membership, for purposes of electing Directors, receiving all committee and financial reports and transacting such other business as may properly come before the Board, shall be held some time during the month of March at a time and place within Harris County, Texas as designated by the Board. The Board of Directors may change the Annual Meeting date at its discretion as deemed necessary, but such alternate date shall be within thirty (30) days of the original meeting date. If the day of the

Annual Meeting is a legal holiday, the Board of Directors will designate an alternate date for the Annual Meeting, such alternate date being within thirty (30) days of the original meeting date.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President, by at least three (3) members of the Board of Directors, or upon written request of the Members who are entitled to vote at least twenty percent (20%) percent of the membership. Notice of the Special Meeting shall conform to Section 3 hereinafter and shall state the time, place and purpose of the meeting. The business transacted at such Special Meeting shall be restricted to the purpose for which it was called.

Section 3. Notice of Meetings. Except as otherwise provided in the Articles of Incorporation or these By-Laws, written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by *e-mail* or *facsimile* of such notice being sent at least ten (10) days (but no more than sixty (60) days) before such meeting to each Member entitled to vote thereat, addressed to the Member's *e-mail* or *fax* address last appearing on the books of the Corporation, or supplied by such Member to the Corporation for the purpose of notice; provided, however, that any Member shall be entitled to receive such notice by mail, postage prepaid if a prior written request therefor is delivered to the Secretary. Requests, if any, for notices by mail, may be made at any time and shall apply to all future meetings with the exception of those for which notice has already been sent by the Secretary. Such notice of meetings shall specify the place, day and hour of the meeting, and in the case of a Special Meeting, the purpose of the meeting.

Section 4. Quorum. The presence, either in person or by proxy, at the meeting of the Members entitled to cast at least ten percent (10%) of the votes as provided herein shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Vote. One (1) Vote Per Member/Proxy Voting. Each member organization (with the exception of Supporting members) shall be entitled to one (1) vote. A Member's delegate may Vote at any meeting of the membership either in person or by proxy executed in writing by the Member's delegate, or by a duly authorized attorney-in-fact. Proxies shall be filed with the Secretary of the Corporation at least twenty-four (24) hours before the meeting. Every proxy shall be revocable and shall specify the meeting or action to which it applies. General proxies shall not be permitted.

Section 6. Cumulative voting shall not be allowed.

ARTICLE V. BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of the Corporation shall be managed by a Board of nine (9) Directors, all of whom must be duly authorized representatives (or “delegates”) of a member or supporting member of the Corporation and neither of whom reside with any other current Member of the Board of Directors. Each Director elected shall serve until a successor shall have been duly elected and qualified. The person receiving the largest number of votes for that position shall be elected.

Section 2. Staggered Terms of Office. Each Director shall be elected for a term of two (2) years. At the Corporation’s organizational meeting, the Board of Directors shall appoint the initial nine (9) directors, five (5) such directors being appointed for an initial term of two (2) years, and four (4) such directors for an initial term of one (1) year. Thereafter, four (4) Board positions will be filled in even years and five (5) Board positions will be filled in odd years. The Members shall elect the Directors for a term of two (2) years to fill each expiring term.

Section 3. Nomination of Directors. Prior to the Annual Meeting of the membership, the Board of Directors shall appoint a Nominating Committee composed of three (3) Members, two (2) of whom may not be on the Board of Directors. The chairperson of the Nominating Committee must be a Member of the Board of Directors. Any Member desiring nomination may file their name in nomination with the chairperson of the Nominating Committee or with the Secretary before the Annual Meeting. The Nominating Committee shall present at the Annual Meeting at least one nomination for each Director position to be filled as provided for in Section 2 of Article V hereof, presenting as part of its report nominations by those desiring nomination and filing as above provided. A Member of the Nominating Committee may not be nominated by that committee.

Nominations may also be made from among Members of the Corporation. Nominations shall be taken from the floor at the Annual Meeting prior to conducting the Vote; provided, however, that any person nominating another shall certify to the willingness of the nominee to serve, if the latter is not in attendance.

Section 4. Election. The election shall be held by written ballot at the Annual Meeting of the membership. The election results shall be announced, including the number of ballots cast for each candidate, segregated between the ballots cast by those present in person and those present by proxy, at the Annual Meeting. The candidate receiving the largest number of votes cast for that Board position is elected.

Section 5. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of those Members of the Corporation present, in person or by proxy, at a special meeting called for that purpose, at which meeting a quorum is present.

Section 6. Vacancies. In the event of death, resignation or removal of a Director, the successor shall be appointed by an affirmative vote of a majority of the remaining Directors, even though such majority may constitute less than a quorum of the Board of Directors, and shall

serve for the unexpired term of the predecessor should such term expire at the next Annual Meeting of the membership. Should such term not expire at the next Annual Meeting, the designated successor shall serve until the next annual election, at which time the position shall come before the Members for a confirmation vote on the balance of the term of that position.

Section 7. Compensation. No Director shall receive compensation for any services rendered to the Corporation in his or her capacity as a Director; provided, however, that: 1) any Director may be reimbursed for any documented expenses incurred in the performance of his or her duties; and 2) any Director may enter into a contract with the Corporation to provide services (outside of the scope of his or her function as a Director), subject to the approval of the majority of the remaining Directors, at which vote the subject Director abstains.

Section 8. Resignation. Any Director may resign at any time. Such resignation should be made in writing and shall take effect at the time specified therein or, if no time is specified, at the time of its receipt by the Board. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE VI. MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least four (4) times per annum without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting date fall upon a legal holiday, the meeting will be re-scheduled for another date and time as determined by a majority of the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Corporation, or by any two (2) Directors after notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of a quorum of the Directors present at a duly held meeting shall be regarded as the act of the Board.

Section 4. Action Without a Meeting (Unanimous Consent). Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the members of the Board of Directors. Such consent shall be placed in the minute book of the Corporation with the minutes of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5. Attendance. Any Director who has failed to attend three (3) consecutive meetings may be removed from the Board of Directors by unanimous vote of the remaining Directors of the Corporation.

Section 6. Proxy. No Director may vote by proxy.

**ARTICLE VII.
POWERS OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have the following rights and powers:

- (a) to exercise for the Corporation all powers, duties and authority vested in or designated to this Corporation and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation;
- (b) to employ a manager, an independent contractor, or such other employees as it deems necessary, and to prescribe their duties and the terms of employment; and
- (c) to exercise such other rights and powers granted under the Articles of Incorporation or these By-Laws.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record (i.e., minutes) of all its acts and corporate affairs and to present a financial statement 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 Members who are entitled to vote;
- (b) supervise all officers, agents, and employees of this Corporation and to see that their duties are properly performed;
- (c) procure and maintain liability insurance as provided in Article X hereof and such liability and hazard insurance as deemed appropriate on any property or facilities owned or maintained by the Corporation, if any; and
- (d) cause any officers or employees having fiscal responsibilities to be bonded, as deemed appropriate.

**ARTICLE VIII.
OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of this Corporation shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors held after the annual membership meeting each year.

Section 3. Term. The officers of this Corporation shall be elected annually by the Board and each shall hold office for one (1) year unless said officer shall sooner resign, or shall be removed, or is otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board. 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 6. Vacancies. A Vacancy in any office may be filled by appointment by a majority vote of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

Section 7. Multiple Offices. No person shall simultaneously hold both the offices of president and secretary. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4, of this Article.

Section 8. Duties. The duties of the officers of the Corporation are as follows:

President

- a. The president shall preside over all meetings of the Board of Directors and Membership, deciding all questions of procedure and order, using *Robert's Rules of Order* when applicable.
- b. The president shall sign all approved written instruments of the Corporation, including, but not limited to contracts, leases, deeds, and mortgages.
- c. The president shall formulate goals and plans for the year and present them to the Board of Directors or the membership, as appropriate, for approval.
- d. The president shall sign all orders, resolutions and motions of the Board of Directors and/or the membership.

Vice-President

The vice-president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

Secretary

a. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members and submit all minutes at subsequent meetings for approval.

b. The secretary shall serve or cause to be served notice of meetings of the Board of Directors and of the membership.

c. The secretary shall keep or cause to be kept appropriate current records showing the members of the Corporation together with their addresses.

d. The secretary shall attest to the President's signature on all orders, resolutions and motions of the Board of Directors and/or the membership

e. The secretary shall perform such other duties as required by the Board of Directors.

Treasurer

a. The treasurer shall be responsible for maintaining the records of financial accounts of the Corporation.

b. The treasurer shall be responsible for depositing receipts into a Federally insured account and disbursing expenses of the Corporation as directed by the Board of Directors.

c. The treasurer shall be responsible for maintaining a record of physical assets of the Corporation, if any, that are currently in use and shall notify the Secretary of any change in status.

d. The treasurer shall be responsible for maintaining a depository for physical assets when not in use.

e. The treasurer shall be responsible for preparation of legal returns required by taxing authorities.

f. The treasurer shall be responsible for preparing the budget for approval by the Board of Directors, including tentative drafts to be presented to the Board of Directors.

g. The treasurer shall be responsible for preparation of an annual budget and a statement of income and expenditures to be presented to the membership at its regular Annual Meeting, and shall make same available to each Member of the Corporation.

ARTICLE IX. COMMITTEES

Section 1. Committee Appointments. At its discretion, the Board of Directors may appoint committees, as provided in these By-Laws, as deemed appropriate for carrying out its purposes. These committees may include, but are not limited to:

- a) Nominating Committee - as provided in these By-Laws;
- b) Public Relations Committee;
- c) Civic Association/MUD Membership Committee;
- d) Business and Community Organizations Outreach Committee;
- e) Natural Preservation/Greenbelt Committee; and
- f) Technical Management Information/Evaluation Committee.

Section 2. Function of Committees. It shall be a function of each committee to respond to inquiries from Members on any matter involving Corporation duties and activities within its field of responsibility. The committee shall handle such inquiries or refer them to the appropriate committee, Director or officer of the Corporation.

Section 3. Reports. All committees appointed by the Board are required to keep written records of their proceedings and make regular reports as required by the Board.

Section 4. Tenure. Any committee shall serve until its purpose has been accomplished or until dissolved by the Board, whichever occurs first.

ARTICLE X. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Pursuant to *Section 2.22A of the Texas Non-Profit Corporation Act*, and subject to the provisions thereof, the Corporation may indemnify any Director or officer (or former ones) for expenses and costs, including attorney's fees, which are actually and necessarily incurred in connection with any claim asserted by reason of being or having been a Director or officer only if it is determined that the person's actions were conducted in good faith and were reasonably believed to be in the Corporation's best interest relative to conduct in any official capacity and that, in all other cases, the conduct was at least not opposed to the Corporation's best interest. In regard to criminal proceedings, the Corporation must find that there was no reasonable cause to believe the conduct was unlawful. The intent of this By-Law provision is to allow the Corporation, by majority vote of its Board of Directors, to indemnify its Directors and officers to the extent deemed appropriate by the Board of Directors, without the necessity of a vote of the membership.

Further, the Board of Directors may purchase and maintain insurance against any liability (e.g., Director's and Officer's Liability insurance) whether or not the Corporation has the power

to indemnify against that liability, to the extent that the majority of the Board feels that such insurance is reasonable and necessary.

**ARTICLE XI.
BOOKS AND RECORDS**

Upon reasonable written notice stating the specific purpose of the demand to the Secretary of the Corporation, and subject to the demand being deemed proper pursuant to *Section 2.13 of the Texas Non-Profit Corporation Act*, the specific books, records and papers of the Corporation (as outlined in the written demand) shall, during reasonable business hours, be subject to inspection and copying (at a reasonable cost to the Member) by any Member or Member's agent, accountant, or attorney. In this regard, the Board of Directors shall provide for review and copying the Corporation's books, records and papers, within the scope of the request, reasonably calculated to satisfy the purpose of the request; provided, however, that the Board may exercise its discretion whether to release information of a confidential or privileged nature which information is not, in the opinion of the majority of the Board, necessary to satisfy the purpose of the request. The Articles of Incorporation and the By-Laws of the Corporation shall be available for inspection by any member at a convenient location to be designated by the Board of Directors, where copies thereof may be purchased by any Member at a reasonable cost to the Member.

**ARTICLE XII.
CHECKS AND DISBURSEMENTS**

Each check issued upon the account of the Corporation must have at least two (2) authorized signatures, both of which must be a Director of the Corporation other than the Treasurer. No check shall ever be pre-signed in blank by any agent, Officer, or Director authorized to sign checks. The Board of Directors is authorized, by resolution, to designate the authorized signatures for withdrawal of funds. No funds belonging to the Corporation may ever be disbursed without the specific approval of a duly authorized Director.

**ARTICLE XIII.
ASSESSMENTS OR DUES**

No mandatory assessments or dues shall be required for membership. However, the Corporation may collect voluntary payments from its members.

**ARTICLE XIV.
WITHDRAWAL OF ORGANIZATION AS MEMBER**

A member organization may withdraw in writing, by submitting such written notice of membership withdrawal to the President of the Corporation. No funds of the Corporation shall be returned to an organization upon or after its withdrawal. Any such withdrawal shall be effective immediately upon receipt thereof by the Corporation's President.

ARTICLE XV.

REMOVAL OF A MEMBER

An organization's membership (or a Supporting membership) in the Corporation may be terminated at any time, with or without cause, if approved by a majority of those members present, in person or by proxy, at a special meeting of the Corporation, at which meeting a quorum is present.

ARTICLE XVI. MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the membership present in person and/or by proxy, at a special meeting of the membership called for the purpose of considering such proposed merger or consolidation, at which special meeting a quorum is present in person and/or by proxy.

ARTICLE XVII. DISSOLUTION

The Corporation may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of those members who are present in person or by proxy at a special meeting of the membership, at which meeting a quorum is established, which meeting is called for the purpose of considering such proposed dissolution. A voice vote shall not be utilized for this purpose. The signed ballot or proxy, as the case may be, must specifically set forth that the purpose thereof is to dissolve the Corporation.

ARTICLE XVIII. AMENDMENTS

Section 1. Amendment. These By-Laws may be amended by the affirmative vote of a majority of those Members present in person and/or by proxy, at a Special Meeting called for that purpose, at which meeting a quorum is present in person and/or by proxy.

ARTICLE XIX. MEETINGS FOR ACTIONS GOVERNED BY ARTICLE IV, SECTION 5 AND ARTICLES XIV THROUGH XVI

In order to take actions under Article IV, Section 5, and/or under Articles XIV through XVI, there must be a duly held meeting. Written notice, setting forth the purpose(s) of the meeting shall be given to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. The presence of the members or of proxies entitled to cast twenty percent (20%) of the votes of the membership shall constitute a quorum. If the required quorum is not present or represented at any meeting, the members entitled to vote thereat shall have

power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

**ARTICLE XX.
CONFLICT**

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control.

**ARTICLE XXI.
GENDER AND GRAMMAR**

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

**ARTICLE XXII.
FISCAL YEAR**

The fiscal year of the Corporation shall begin on the 1st day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being all the directors of the CYPRESS CREEK FLOOD CONTROL COALITION, have hereunto set our hands this 18 day of July, 2001.

RICHARD D. SMITH, President and Director

PETER R. SMULLEN, Vice-President and Director

M. L. (JACK) CRAWFORD, Secretary and Director

DAVID C. COCCIOLONE, Treasurer and Director

EARL CLARDY, Director

RICHARD D. KIRK, Director

JOHN R. POREA, Director

AMY L. SMITH, Director

RAY ZOBEL, Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the CYPRESS CREEK FLOOD CONTROL COALITION, a Texas Non-Profit Corporation, and,

THAT the foregoing By-Laws constitute the By-Laws of said Corporation, as fully adopted at the organizational meeting of its Directors, held on the 18 day of July, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name 29 day of July, 2001.

SECRETARY

Printed Name: M. L. (JACK) CRAWFORD