

BY-LAWS  
OF  
RIVER RUN ASSOCIATION, MC.  
(A Texas Non-Profit Corporation)

ARTICLE ONE

NAME

11 NAME. The name of the organization shall be RIVER RUN ASSOCIATION, INC. , hereinafter called "Association".

ARTICLE TWO

PURPOSE AND OWNER OBLIGATION ,

2.1 PURPOSE. The purpose for which this non-profit Association, organized under the Texas Non-Profit Corporation Act (the "Act"), is formed is to provide for the preservation and maintenance of a rural residential development commonly known as Estates at River Run (the "Project" or "Property"), as provided in the Declaration of, Covenants, Conditions, Reservations, and Restrictions of Estates at River Run, Phase I - Residential and future declarations affecting other acreage developed by Hopes Creek Venture under a common scheme or plan of development (herein collectively referred to as the "Declaration"), located in Brazos County, Texas.

2.2 OWNER OBLIGATION. All present or future owners, tenants, or any other person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Property or the mere act of occupancy of any of the Property will signify that these By-Laws are accepted, ratified, and will be strictly followed.

ARTICLE THREE

OFFICES

3.1 PRINCIPAL OFFICE. The principal office of the Association shall be at 420 Tarrow, College Station, Brazos County, Texas 77840 .

3.2 OTHER OFFICES. The Association may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Association may require.

3.3. REGISTERED OFFICE. The registered office of the Association shall be 420 Tarrow, College Station, Brazos County, Texas 77840 . The Association shall maintain. A registered office in Texas. However, the registered office may, but need not, be identical with the Association's principal office

3.4 REGISTERED AGENT. The initial registered agent for the Association shall be CRAIG P. BROWNE . The Association shall maintain a registered agent in Texas.

## ARTICLE FOUR

### DEFINITIONS AND TERMS

4.1 MEMBERSHIP. Any person on becoming an Owner of any lot or parcel (as defined in the Declaration) shall automatically become a Member of this Association, and be subject to these By-Laws. However, the holders of security interests in any lot or parcel (as defined in the Declaration) as security for the performance of an obligation shall not be a Member. All such memberships shall terminate without any formal Association action whenever such person ceases to own any lot or parcel (as defined in the Declaration). Such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with RIVER RUN ASSOCIATION, INC. during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one (1) Membership Card per Unit to the Owner(s) of any Unit of the Property. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Unit designated thereon is terminated.

4.2 VOTING RIGHTS. The Association shall have one (1) class of voting membership. All members shall be entitled to one (1) vote for each Unit in which they hold the interests required for Membership. When more than one (1) person holds such interest or interests in any Unit all such persons shall be members, and the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Unit.

4.3 MAJORITY OF OWNERS. As used in these By-Laws, the term "Majority of Owners" shall mean those Owners with fifty-one percent (51%) of the votes entitled to be cast.

4.4 QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "Majority of Owners" as defined in Section 4.3 of this Article shall constitute a quorum.

4.5 PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

## ARTICLE FIVE

### ADMINISTRATION

5.1 ASSOCIATION RESPONSIBILITIES. The Owners of the lots or parcels "will constitute the Association of Owners, hereinafter referred to as "Association", who will have the responsibility of administering the Property through a Board of Directors.

**5.2 PLACE OF MEETINGS.** All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place **as** may be permitted by law and from time to time fixed by the Board and designated in the notices of such meetings.

**5.3 ANNUAL MEETINGS.** Annual meetings shall be held the third (3rd) Friday of January each year or at another time that the Board of Directors designates.

**5.4 SPECIAL MEETINGS.** It shall be the duty of the President to call a special meeting of the. Owners as directed by resolution of the Board of Directors or upon a petition signed by at least one tenth (1/10) of the Owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5ths) of the Owners present, either in person or by proxy.

**5.5 . NOTICE OF MEETINGS.** The Secretary shall mail written or printed notices of annual and special meetings to each Member of the Association, directed to his last known address, as shown on the records of the Association, by certified or uncertified mail, postage prepaid. Such notice shall be mailed not less **than** ten (10) days nor more **than** fifty (50) days before the date of such meeting and shall state the date, time, and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any Mortgagee of record or its designee may be entitled to receive, similar notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, to the Owner at his address as it appears on the records of the Association.

**5.6 WHEN NOTICE EXCUSED.** Any notice required to be given to an Owner under any provision of the Texas Non-Profit Corporation Act or the Article of Incorporation or the By-Laws need not be given to the Owner if (i) notice of two (2) consecutive annual meetings and all notices of meetings held during the period between those annual meetings, if any, or (ii) all notices during a twelve (12) month period have been mailed to that Owner, addressed at his or her address as shown on the share transfer records of the Association, and have been returned undeliverable. Any action or meeting taken or held without notice to such a person shall have the same force and effect as if the notice had been duly given and, if the action taken by the Association is reflected in any articles or document filed with the Secretary of State, those articles or that document may state that notice was duly given to all persons to whom notice was required to be given. If such a person delivers to the Association a written notice setting forth his or her then current address, the requirement that notice be given to that person shall be reinstated.

**5.7 WAIVER OF NOTICE.** Any notice required by law or by these By-Laws may be waived by execution of a written waiver of notice executed by the person entitled to the notice. The waiver may be signed before or after the time stated in the notice.

**5.8 ADJOURNED MEETING.** If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is attained.

**5.9 ORDER OF BUSINESS.** The order of business at all meetings of the Owners of lots or parcels shall be **as** follows:

- a. Roll Card.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of Directors.
- g. Unfinished business.
- h. New business.

**5.10 ACTION BY WRITTEN CONSENT.** Any action required or permitted to be taken at any annual or special meeting of the Owners, or any action which may be taken at any annual or special meeting of the Owners, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the Owners. Such consent shall have the same force and effect **as** a unanimous vote of Owners.

**5.1 1 MEETINGS BY CONFERENCE TELEPHONE.** Owners may participate in and hold meetings of Owners by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transactions of any business on the ground that the meeting is not lawfully called or convened.

## ARTICLE SIX

### BOARD OF DIRECTORS

**6.1 NUMBER AND QUALIFICATION.** The affairs of the Association shall be governed by a Board of Directors composed initially of four (4) persons. Directors must be Members of the Association. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

<u>NAME</u>	<u>ADDRESS</u>
ROBERT B. WALTMAN	3833 South Texas Avenue, Ste. 150 Bryan, TX 77802
DAVID W. DUDYCHA	1201 C Briarcrest Drive Bryan, TX 77802
CRAIG P. BROWNE	420 Tarrow College Station, TX 77840
MORRIS HAMILTON	420 Tarrow College Station, TX 77840

**6.2 POWERS AND DUTIES.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property. The Board of Directors may do all such acts and things that are not by these By-Laws directed to be exercised and done by the Owners.

**6.3 OTHER POWERS AND DUTIES.** The Board of Directors shall have the following duties:

- a. To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Declaration; '
- b. To keep in good order, condition, and repair, all of the Common Properties and all items of personal property used in the enjoyment of the Property.
- c. To insure and keep insured all of the insurable Common Properties in an amount equal to their maximum replacement value. Further to obtain and maintain comprehensive liability insurance covering the Common Property in amounts not less than One Hundred Thousand Dollars (\$100,000.00) per person, Three Hundred Thousand Dollars (\$300,000.00) per accident, and Fifty Thousand Dollars (\$50,000.00) property damages, plus a Five Million Dollar (\$5,000,000.00) umbrella policy. To insure and keep insured all the fixtures, equipment, and personal property acquired by the Association for the benefit of the Association, the Owners of the lots or parcels and their First Mortgagees.
- d. To fix, determine, levy, and collect the monthly prorated assessments to be paid by each of the Owners; and by majority vote of the Board to adjust, decrease, or increase the amount of the monthly assessments subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, and additional capital expenses. All monthly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.
- e. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these By-Laws.
- f. To protect and defend the Property from loss and damage by suit or otherwise.
- g. To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners in equal percentages.
- h. To enter into contracts within the scope of their duties and power.
- i. To establish a bank account for the common treasury' for all separate funds which are required or may be deemed advisable by the Board of Directors.
- j. To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements, and to permit examination thereof at any reasonable time by each of the Owners and any First Mortgagee of a lot or parcel, and to cause a complete audit of the books and accounts by a competent accountant, once each year. The Association shall cause to be prepared and delivered annually to each Owner a statement showing all receipts, expenses, or disbursements since the -last such statement. Such financial statements shall be available to any First Mortgagee of a lot or parcel, on request, within ninety (90) days following the fiscal year end of the Property.
- k. To meet at least once each quarter.

- l To designate the personnel necessary for the maintenance and operation of the Properties.
- m. In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of lot or parcel ownership.

**6.4 ELECTION AND TERM OF OFFICE.** At the first (1st) annual meeting of the Association, the term of office of two (2) of the Directors shall be fixed for one (1) year, the term of office of one (1) of the Directors shall be fixed at two (2) years, and the term of office of the remaining one (1) Director shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first (1st) meeting.

**6.5 VACANCIES.** Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director so elected shall serve out the remaining term, of his predecessor.

**6.6 REMOVAL OF DIRECTORS.** At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given **an** opportunity to be heard at the meeting.

**6.7 ORGANIZATION MEETING.** The first (1st) meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

**6.8 REGULAR MEETINGS.** Regular meetings of the Board of Directors may be held at such time and place as shall be determine, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

**6.9 SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days' personal notice to each Director by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting.

**6.10 WAIVER OF NOTICE.** Before or at any meeting of the Board of Directors, any Director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**6.11 QUORUM OF BOARD OF DIRECTORS.** At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without additional notice.

**6.12 ACTION BY WRITTEN CONSENT.** Any action required or permitted to be taken at a meeting of the Board of Directors or any committee may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all the members of the Board of Directors or committee, and such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in **any** document or instrument filed with the Secretary of State.

**6.13 MEETINGS BY CONFERENCE TELEPHONE.** Members of the Board of Directors or members of any committee designated by the Board of Directors may participate in and hold a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transactions of any business on the ground that the meeting is not lawfully called or convened.

**6.14 PROXIES.** A Director may vote by proxy executed in writing by the Directors. No proxy shall be valid after three (3) months from the date of its execution.

**6.15 COMPENSATION.** Directors shall not receive salaries for their services. However, the Board of Directors may adopt a resolution providing for payment to Directors of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the Board of Directors.

## ARTICLE SEVEN

### OFFICERS

**7.1 DESIGNATION.** The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, all of whom shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors.

**7.2 ELECTION OF OFFICERS.** The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

**7.3 REMOVAL OF OFFICERS.** Upon an affirmative vote of the majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or any special meeting of the Board called for such purpose.

**7.4 PRESIDENT.** The President shall be the chief executive officer of the Association. He shall preside at all meetings both of the Association and the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of president of an association, including without limitation the power to appoint committees from among the Owners to assist in the administration of the affairs of the Association. He shall co-sign all promissory notes with the Secretary and co-sign all checks with the Treasurer. The President, or his designated alternate, shall represent the Association at all meetings of RIVER RUN ASSOCIATION, INC..

**7.5 VICE PRESIDENT.** The Vice President shall perform all of the duties of the President in the absence of the President and such other duties as may be required of him from time to time by the Board of Directors.

**7.6 SECRETARY.**

- a. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association, he shall have charge of such books and papers as the Board of Directors may direct and shall co-sign all instruments of conveyance; and he shall, in general, perform all the duties incident to the office of the Secretary.
- b. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name the number of Members living on the lot or parcel in connection with such lot or parcel. Such list shall be open to inspection by Members and other persons lawfully entitled to " inspect the same at reasonable times during regular business hours.

**7.7 TREASURER.** The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors, including authority to: co-sign all checks; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures. to be presented to the Membership at its regular annual meeting and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board of Directors.

## ARTICLE EIGHT

### TRANSACTIONS OF THE ASSOCIATION

**8.1 CONTRACTS.** The Board of Directors may authorize any officer or agent of the Association to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Association. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

**8.2 DEPOSITS.** All funds of the Association shall be deposited to the credit of the Association in banks, trust companies, or other depositories that the Board of Directors selects.



**8.3 GIFTS.** The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the Association's federal and state tax status.

**8.4 PROHIBITED ACTS.** As long as the Association is in existence, and except with the prior approval of the Board of Directors or the Members, no director or officer of the Association shall:

- a. Do any act in violation of the bylaws or a binding obligation of the Association.
- b. Do any act with the intention of harming the Association or any of its operations.
- c. Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Association.
- d. Receive an improper personal benefit from the operation of the Association.
- e. Use the assets of this Association, directly or indirectly, for any purpose other than carrying on the business of this Association.
- f. Wrongfully transfer or dispose of Association property, including intangible property such as good will.
- g. Use the name of the Association (or any substantially similar name) or any trademark or trade name adopted by the Association, except on behalf of the Association in the ordinary course of the Association's business.
- h. Disclose any of the Association business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

## ARTICLE NINE

### BOOKS AND RECORDS

**9.1 REQUIRED BOOKS AND RECORDS.** The Association shall keep correct and complete books and records of account. The Association's books and records shall include:

- a. A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- b. A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c. Minutes of the proceedings of the Members and Board of Directors having any of the authority of the Board of Directors.
- d. A list of the names and address of the Members, Directors and officers of the Association.
- e. A financial-statement showing the assets, liabilities and net worth of the Association at the end of the three (3) most recent fiscal years.
- f. A financial statement showing the income and expenses of the Association for the three (3) most recent fiscal years.

- g. All rulings, letters, and other documents relating to the Association's federal, state, and local **tax** status.
- h. The Association's federal, state, and local information or income tax returns for each of the Association's three **(3)** most recent tax years.

9.2 Inspection and Copying. Any member, director or officer of the Association may inspect **and** receive copies of all books and records of the Association required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Association and if the person submits a request in writing. Any person entitled to inspect and copy the Association's books and records may do so through his or her attorney or other duly .authorized representative. A person entitled to inspect the Association's books .and records may do so at any reasonable time no later than 'five (5) working days after the Association's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Association's books and records by members. The fees may cover the cost of materials and labor, but may not exceed twenty-five cents (\$0.25) per page. The Association shall provide requested copies of books or records no later than thirty (30) working days after the Association's receipt of a proper written request.

9.3 Audits. Any member shall have the right to have an audit conducted of the Association's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Association to an audit more than once in any fiscal year.

## ARTICLE TEN

### FISCAL YEAR

10.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day in December in each year.

## ARTICLE ELEVEN

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

11.1 INDEMNIFICATION. The Association shall indemnify every Director or officer, his heirs, executors, and administrators, against all loss, cost, and expense, including counsel fees, reasonably incurred by him in connection with any action, suit, or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except in matters of strong negligence of willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which the Director or officer may be entitled. All liability, loss, damage, cost, and expense incurred .or suffered by the Association in connection with the foregoing indemnification provision shall\*-be treated and handled by the Association **as** Common Expenses; provided, however, nothing contained in this Article 8 shall be deemed to obligate the Association to indemnify and Member or Owner of a lot or parcel, who is or has been a .Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the

Declaration of RIVER RUN ASSOCIATION, INC. as a Member of Owner of a lot or parcel covered thereby.

## ARTICLE TWELVE

### OBLIGATIONS OF THE OWNERS

12.1 ASSESSMENTS. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the maintenance expenses for the Property. The initial rate of assessment shall be Fifty and No/100 Dollars (\$50.00) per Lot per year. The assessments shall be equally divided between the Owners and shall be due monthly in advance. A Member shall be deemed to be in good standing and entitled to vote at any annual Or special meeting of Members, within the meaning of these By-Laws, if and only if he is current in the assessments made or levied against him and the lot or parcel owned by him.

#### 12.2 GENERAL.

- a. Each Owner shall comply strictly 'with the provisions of the Declaration for RIVER RUN ASSOCIATION, INC..
- b. Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Property was built.

12.3 USE OF COMMON ELEMENTS. Each Owner may use the Common Elements appurtenant to said Owner's lot or parcel in accordance with the purposes for which they were intended.

## ARTICLE THIRTEEN

### AMENDMENTS TO PLAN OF OWNERSHIP

#### 13.1 BY-LAWS.

- a. These By-Laws may be amended by the Association at a duly purpose, constituted meeting of the Board of Directors called for such and no amendment shall take effect unless approved by at least sixty-six and two-thirds percent (66-2/3rds%) of the Board of Directors. In no event shall the By-Laws be amended to conflict with the Declaration. In the event of a conflict between the two (2) documents; the Declaration shall control.

## ARTICLE FOURTEEN

### MORTGAGES

14.1 NOTICE TO ASSOCIATION. An Owner who mortgages his lot or parcel shall notify the Association through the President of the Association giving his name and address .of  
By-Laws of River Run Association, Inc.

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14.2 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a Mortgagee of a lot or parcel, report any unpaid assessments due from the Owner of such lot or parcel.

## ARTICLE FIFTEEN

### COMPLIANCE

15.1 LEGAL REQUIREMENTS. These By-Laws are set forth to comply with the requirements of the Texas Non-Profit Corporation Act. If any of these By-Laws conflicts with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

## ARTICLE SIXTEEN

### NON-PROFIT ASSOCIATION

16.1 NON-PROFIT PURPOSE. This Association is not organized for profit. No Owner, Member of the Board of Directors, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall **any** part of the funds or assets of the Association be paid as a salary or as compensation to, or distributed to, or inure to the benefit of any Member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association; and (2) that any Member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

## ARTICLE SEVENTEEN

### EXECUTION OF INSTRUMENTS

7.1 AUTHORIZED AGENTS. The person who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President with the co-signature of the Secretary of the Association.

## ARTICLE EIGHTEEN

### CORPORATE SEAL

18.1 CORPORATE SEAL. The Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association.

## ARTICLE NINETEEN

### DEFINITIONS OF TERMS

19.1 DEFINITIONS OF TERMS. The terms used in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration for **RIVER RUN ASSOCIATION, INC.**, as the same may be amended from time to time, in the office of the County Clerk of Brazos County, Texas.