

**BY-LAWS
OF
KINGWOOD SERVICE ASSOCIATION PARKS FOUNDATION, INC.**

**Article I
Name, Principal Office, and Definitions**

1.1. Name. The name of the corporation is Kingwood Service Association Parks Foundation, Inc. (the "Foundation").

1.2. Principal Office. The principal office of the Foundation shall be located in Harris County, Texas. The Foundation may have such other offices, either within or outside the State of Texas, as the Foundation's board of trustees may determine or as the affairs of the Foundation may require.

1.3. Definitions. The words used in these by-laws shall be given their normal, commonly understood definitions.

As used in these by-laws, the term "majority" shall mean those votes, persons, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

**Article II
Board of Trustees: Number, Powers. Meetings**

A. Composition and Selection.

2.1. Governing Body Composition. The Foundation shall have no members. The affairs of the Foundation shall be governed by a board of trustees (the "Board"). Each trustee shall have one equal vote.

2.2. Number of Trustees. The Board shall consist of a minimum of three (3) and a maximum of seven (7) trustees. The initial Board shall consist of the four (4) individuals identified in the Certificate of Formation of Kingwood Service Association Parks Foundation, Inc. (the "Certificate of Formation").

2.3. Qualifications of Trustees. Each trustee shall be a natural person of at least 18 years of age. Trustees need not be residents of the State of Texas.

2.4. Selection of Trustees Term of Office. The term of office of the initial trustees shall be one (1) year. Thereafter, upon expiration of the term of office of the initial trustees, successor trustees shall be appointed by Kingwood Service Association, its successors or assigns (Founder"), to serve a one (1) year term. No amendment or modification of this Section that effects the Founder's ability to appoint trustees to the Board shall be valid without the written consent of the Founder. The Founder shall retain the right to appoint the trustees to the Board until such time as the Founder, by a written instrument, assigns such right to the Board. Upon such assignment the successor trustees shall be elected by a majority vote of the current trustees to serve a two-year term. Trustees may be elected to serve any number of consecutive terms.

2.5. Resignation and Removal of Trustees Vacancies. Any trustee 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 such notice is received or at a later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

So long as the Founder retains the right to appoint the trustees to the Board, as provided in Section 2.4, the Founder may remove any trustee without cause. After the Founder has assigned its rights under Section 2.4 to the Board, any trustee may be removed, with cause, upon the vote of a majority of the other trustees.

So long as the Founder retains the right to appoint the trustees to the Board, any vacancy on the Board caused by death, resignation, or removal of a trustee may be filled by a trustee appointed by the Founder. The trustee appointed to the vacated position shall serve the unexpired portion of the term of the trustee who vacated the position. After the Founder has assigned its rights under Section 2.4 to the Board, any vacancy on the Board caused by death, resignation, or removal of a trustee may be filled by a majority vote of the Board. The trustee elected to the vacated position shall serve the unexpired portion of the term of the trustee who vacated the position.

B. Meetings.

2.6. Organizational Meetings. The first meeting of the Board shall be held at the call of a majority of the initial trustees within 90 days following the date of issuance of a certificate of filing by the Secretary of State of the State of Texas for the Certificate of Formation. Thereafter, each Board shall hold an organizational meeting within 30 days after newly elected trustee(s) take office.

2.7. Regular Meetings. Regular Board meetings may be held at such time and place as a majority of the trustees determine from time to time; provided, at least four meetings shall be held during each fiscal year, with at least one meeting each fiscal quarter.

2.8. Special Meetings. Special Board meetings shall be held when called by written notice signed by the President or Vice President or by any two trustees. The secretary shall prepare and distribute written notice of any special meeting specifying the time and place of the meeting and the nature of any special business to be considered.

2.9. Notice of Board Meetings. The Board or its Secretary shall notify each trustee of any Board meeting by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the trustee or to a person at the trustee's office or home who would reasonably be expected to communicate such notice promptly to the trustee; or (d) facsimile, email or other communication device, with confirmation of receipt.

All such notices shall be given at the trustee's telephone number, fax number, electronic mail address, or sent to the trustee's address as shown on the records of the Foundation. Notices sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, or other communications device shall be delivered, telephoned, or transmitted at least 72 hours before the time set for the meeting.

2.10. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the trustees not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any trustee who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

2.11. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the 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. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

2.12. Quorum of Board of Trustees. At all meetings of the Board, a majority of the trustees shall constitute a quorum for the transaction of business, and the votes of a majority of the trustees present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these by-laws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of trustees, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the trustees present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.13. Compensation. A trustee shall not receive compensation from the Foundation for serving as a trustee; provided, any trustee may be reimbursed for expenses incurred on behalf of the Foundation upon approval of a majority of the other trustees.

Nothing herein shall prohibit the Foundation from compensating a trustee, or any entity with which a trustee is affiliated, for employment, services, or supplies furnished to the Foundation in a capacity other than as a trustee pursuant to a contract or agreement with the Foundation, provided that such trustee's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of trustees other than the interested trustee.

2.14. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

2.15. Open Meetings. Subject to Sections 2.11 and 2.16, Board meetings may be open to persons other than trustees. Attendees other than trustees may not participate in any discussion or deliberation unless a trustee requests permission for the attendee to speak and the President grants such request. In such case, the President may limit the time any individual may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, excluding persons other than trustees, to discuss matters of a sensitive nature, such as pending or contemplated

litigation, advice from an attorney retained for the Board or the Foundation, employment or personnel matters, etc.

2.16. Action Without a Formal Meeting. Any action to be taken at a meeting of the trustees or any action that may be taken at a meeting of the trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the trustees. Such consent shall have the same force and effect as a unanimous vote.

2.17. Location of Meetings. Meetings of the Board shall be held at such location, within or outside the State of Texas, as may from time to time be fixed by the Board.

C. Powers and Duties.

2.18. Powers. The Board shall have all of the powers and duties necessary for the administration of the Foundation's affairs and for performing the Foundation's purposes set forth in the Articles.

2.19. Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting an annual budget;

(b) designating, hiring, and dismissing the personnel, organizations, companies, and others necessary to further the purposes of the Foundation and, where appropriate, providing for the compensation of such and for the purchase of equipment, supplies, and materials to be used by such in the performance of their duties;

(c) paying the cost of all Board-authorized services rendered to or on the Foundation's behalf;

(d) opening bank accounts on behalf of the Foundation and designating the authorized signatories;

(e) depositing all funds received on behalf of the Foundation in a bank depository which it shall approve, and using such funds to operate the Foundation to further its purposes set forth in the Articles; provided, any reserve funds may be deposited, in the trustees' business judgment, in depositories other than banks;

(f) obtaining and carrying property and liability insurance and fidelity bonds, as necessary, paying the cost thereof, and filing and adjusting claims, as appropriate;

(g) keeping detailed books of account and operating records; and

(h) indemnifying a trustee, officer, or committee member, or former trustee, officer, or committee member of the Foundation to the extent such indemnity is required by Texas law or the Articles.

2.20. Management. The Board may employ for the Foundation a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate to one of its members the authority to act on behalf of the Board on all matters relating to

the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

2.21. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as deferred by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Foundation shall not be commingled with any other accounts;

(d) no remuneration, commissions, or fees shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Foundation;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Foundation shall be disclosed promptly to the Board;

(f) an annual report consisting of at least the following shall be made available within 60 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant; provided, upon written request, the Foundation shall provide an audited financial statement.

2.22. Borrowing. The Foundation shall have the power to borrow money to further the purposes for which it is organized.

2.23. Right to Contract. The Foundation shall have the right to contract with any person for the performance of various duties and functions necessary to its purposes.

Article III **Officers**

3.1. Officers. The officers of the Foundation shall be a president, vice president, secretary, and treasurer. The president and secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two of more offices may be held by the same person, except the offices of president and secretary.

3.2. Election and Term of Office. The Board shall elect the officers of the Foundation at such times as it deems appropriate or when a position becomes vacant. Officers may serve terms of such length as the Board may designate, but not to exceed two years.

3.3. Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Foundation will be served, and may fill any vacancy in

any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

3.4. Powers and Duties. The officers of the Foundation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board.

(a) President. The president shall be the Foundations chief executive officer and shall be responsible for the administration of the Foundation, including general supervision of the policies of the Foundation and general and active management of the business of the Foundation. He or she shall see that all orders and resolutions of the Board are carried into effect. The president shall also have such powers and perform such duties as are specifically imposed upon him or her by Texas law and as may be assigned to him or her by the Board. The president shall preside over the meetings of the Board.

(b) Vice President. The vice president shall perform the duties of the president whenever the president shall be absent or unable to perform such duties. The vice president shall also perform such duties as are generally performed by vice presidents pursuant to Texas law as well as such other duties as the president may delegate to the vice president from time to time.

(c) Secretary. The secretary shall be responsible for ensuring that minutes of all Board and committee meetings are kept and shall have charge of the minute books and seal of the Foundation and shall perform such other duties and have such other powers as may from time to time be delegated to her or him by the president or the Board.

(d) Treasurer. The treasurer shall be charged with the management of the Foundation's financial affairs and shall have the power to recommend action concerning the Foundation's financial affairs to the Board. The treasurer shall have primary responsibility for the preparation of the Foundation's budget.

3.5. Resignation. 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 the receipt of such notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

3.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. The Board may, from time to time adopt resolutions regarding the number of persons and their capacity to execute agreements, contracts, deeds, leases, checks, and other instruments of the Foundation. Until such a resolution is adopted, any officer or the managing agent may execute agreements, contracts, deeds, leases, checks, and other instruments of the Foundation.

3.7. Compensation. An officer shall not receive compensation from the Foundation for serving as an officer; provided, any officer may be reimbursed for expenses incurred on behalf of the Foundation upon approval of a majority of the trustees. Nothing herein shall prohibit the Foundation from compensating an officer, or any entity with which a officer is affiliated, for employment, services, or supplies furnished to the Foundation in a capacity other than as an officer pursuant to a contract or agreement with the Foundation, provided that such officer's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of trustees.

Article IV **Committees**

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Committees are authorized to recommend policies or recommend procedures to the Board as a collective body on behalf of the Foundation. Individual committee members are not authorized to carry out such policies or take action on behalf of the Foundation.

Article V **Miscellaneous**

5.1. Fiscal Year. The fiscal year of the Foundation shall be the calendar year unless the Board establishes a different fiscal year by resolution.

5.2. Parliamentary Rules. Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Foundation proceedings when not in conflict with Texas law, the Articles, or these by-laws.

5.3. Conflicts. If there are conflicts between the provisions of Texas law, the Articles, and these by-laws, the provisions of Texas law, the Articles, and the by-laws (in that order) shall prevail.

5.4. Inspection of Books and Records. Every trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Foundation and the physical properties the Foundation owns or controls, if any. The right of inspection by a trustee includes the right to make a copy of relevant documents at the Foundation's expense.

5.5. Notices. Except as otherwise provided in these by-laws, all notices, demands, bills, statements, or other communications under these by-laws to the Foundation, the Board, or the managing agent shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid to the Foundation's or managing agent's principal office, or at such other address as shall be designated by written notice.

5.6. Amendment. These by-laws may be amended upon Board resolution approved by a majority of the trustees. Any procedural challenge to an amendment must be made within three months of its adoption or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these by-laws.

5.7. Seal. The Foundation may have a seal in such form as the Board may from time to time determine. In the event it is inconvenient to use such a seal at any time, the signature of the Foundation followed by the word "Seal" enclosed in parenthesis or scroll, shall be deemed the seal of the Foundation. The seal shall be in the custody of the secretary or the secretary's delegate and affixed by her or him on any such papers as may be directed by law, these by-laws, or by the Board.

5.8. Insurance and Indemnification. The Foundation shall indemnify and hold harmless its trustees, officers, employees, agents, or former trustees, officers, employees, agents, or other persons, to the full extent of its rights and powers to do so as provided by the present and future Texas laws. The Foundation may purchase and maintain insurance on behalf of any person within the coverage of this Section against any liability asserted against him or her or incurred by him or her in any capacity on behalf of the Foundation which would be included within this Section, or arising out of his or her status as such a person, whether or not the Foundation would have the power to indemnify him or her against such liability under the present and future Texas laws.

CERTIFICATION

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of eight pages, as the bylaws of this corporation.

Dated: _____

Dee Price _____

Bob Rehak _____

Richard P. McGucken _____

Ray Anderson _____