

BY-LAWS
OF
LOWER TRINITY GROUNDWATER CONSERVATION DISTRICT

ARTICLE I
NAME AND OFFICES

Section 1.01. Name. The name of the District is LOWER TRINITY GROUNDWATER CONSERVATION DISTRICT.

Section 1.02. Office. The principal office of the District shall be established by Resolution of the Board.

ARTICLE II
BOARD OF DIRECTORS

Section 2.01. A Director of the District shall qualify by taking the oath of office and executing a bond in the amount of \$10,000 conditioned as otherwise required by law.

Section 2.02. The regular meetings of the Board of Directors will be held at such times and places as shall, from time to time, by resolution, be determined by the Board. Notice of the meeting will be given as required by Texas Water Code Chapter 36, by Texas Government Code, and as otherwise required by law or by the Board. The meeting place will alternate between Polk, Liberty and San Jacinto Counties as established by Resolution of the Board.

Section 2.03. Organization. The President of the District shall preside at all meetings of the Board of Directors as provided for in Section 10(C) of the District Act and business shall be transacted in such order as from time to time the Board of Directors may determine by resolution. If the President shall be absent, then the Vice President shall serve as chairman of the meeting. If both the President and Vice President shall be absent for any reason, the Secretary shall serve in the capacity of chairman of the meeting.

Section 2.04. Powers and Duties. In addition to the powers and authorities expressly conferred upon them by statute, the Board of Directors may exercise all such powers of the District and do all such lawful and things not otherwise prohibited.

ARTICLE III
OFFICERS

Section 3.01. Number of Officers. The officers of the District shall be three or more in number. They shall be elected by the Board of Directors at the first meeting after January 1 of each year. The officers to be elected shall consist of a President, one or more Vice-Presidents, a Secretary and a Treasurer which may be combined into one office Secretary-Treasurer. Any vacancy occurring in any office by reason of death, resignation, disqualification, or for any other reason shall be filled by a vote of the Board of Directors at any regular or special meeting when such vacancy shall be called to the attention of the Board of Directors.

Section 3.02. President. The President shall have power to sign and execute all contracts and instruments of the conveyances in the name of the District. He shall perform all of the duties usually incident to the office of the president. Nothing contained in this paragraph shall authorize the President to execute conveyances, mortgages, notes, or other evidence of indebtedness on behalf of the District unless expressly so empowered by the Board of Directors.

Section 3.03. Vice-President. The Vice-President or Vice-Presidents shall perform the duties of the President in the event of the absence, death, disqualification or inability of the President and in addition to that he shall perform such duties as shall be from time to time delegated to him by the Board of Directors.

Section 3.04. Secretary. The Secretary shall keep the records of the District and shall keep complete minutes of all meetings of the Board of Directors. In addition, he shall perform all other duties usually pertaining to the office of secretary and all duties that may be delegated to him by the Board of Directors. The Secretary shall, on behalf of the District, countersign all other instruments executed by the President or Vice-President on behalf of the District as the Board of Directors may see fit.

Section 3.05. Treasurer. The Treasurer shall keep the financial records of the District and perform all other duties usually pertaining to the office of Treasurer and all other duties that may be delegated to him by the Board of Directors.

Section 3.06. Absence or Inability to Act. In the case of absence or inability to act, of any officer of the District or any person herein authorized to act in his place, the Board of

Directors may, from time to time, delegate the power and duties of such officer to any other officer or any director, or any person it may select.

Section 3.07. Appointment of Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary or expedient, who shall hold their office for such terms, and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 3.08. Committees. In addition to the standing committees hereafter named, the Board of Directors may, from time to time, authorize the creation of other committees made up of members of the Board of Directors. There is established an Executive Committee, to be made up of the officers of the District. These committees are to have the duties and responsibilities as provided by the Board of Directors in its resolutions.

ARTICLE IV **MEETINGS**

Section 4.01. Open Meeting. All meetings of the Board of Director shall be constructed in strict compliance with Texas Open Meetings Act, Texas Government Code Chapter 551. It is the responsibility of the Secretary of the Board to insure that notice of the meeting is given as required by law. The President or Secretary may authorize the attorney for the District to sign and post the Notice.

Section 4.02. Meeting Agenda. The agenda for the Board Meeting shall be established by the President or, in his absence, the vice-president. Any member of the Board can add matters to the agenda provided that such request is timely made.

Section 4.03. Conduct of Meetings. All meetings shall be conducted in accordance with Robert's Rules of Order.

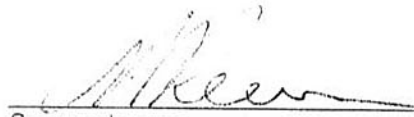
Section 4.04. Vacancy. Any director who misses three (3) or more regularly scheduled board meetings may be considered to have vacated his office and the Board, after notice to the Director may declare the office vacant. The Board shall then notify the governmental unit that appointed the Director of the vacancy and request a replacement.

ARTICLE V
MISCELLANEOUS

Section 5.00. Amendment of Bylaws. These By-laws may be amended by majority vote of the Board provided that written notice of any amendment must be given to each Director prior to the meeting at which it will be considered.

Section 5.00. Fiscal Year. The District adopts a Fiscal Year to begin on January 1 and end December 31 of each year.

Section 5.01. Bank. The Board may establish one or more bank accounts for the District. All checks shall be signed by two of the Board Officers.



Secretary