

BY-LAWS OF
SHADOWBRIAR COMMUNITY ASSOCIATION, INC.

ARTICLE I

Definitions

The following words, when used in these By-Laws, shall have the respective definitions and meanings (unless the context shall otherwise clearly indicate or prohibit):

(a) "Association" shall mean and refer to SHADOWBRIAR COMMUNITY ASSOCIATION, INC., its successors and assigns.

(b) "Properties" shall mean and refer to that certain land and premises situated in Houston, Harris County, Texas, and more particularly described within the Declaration.

(c) "Declaration" shall mean and refer to that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions", pertaining to the Shadowbriar residential subdivision, said instrument recorded in the Office of the County Clerk of Harris County, Texas, Clerk's File No. F785619, Film Code pages 107-93-1153 through 107-93-1176 (and said instrument is incorporated herein by reference for all purposes), and as the same may be amended or supplemented from time to time as therein provided.

(d) "Common Area" shall mean all real and personal property owned or to be owned by the Association for the common use and benefit of its Members.

(e) "Lot" shall mean and refer to any plot or tract of land (excluding the Common Area) shown upon any recorded subdivision map(s) or plat(s) of the Properties, as amended from time to time, which is designated as a Lot therein and which is or is to be improved with a residential dwelling thereon.

(f) "Owner" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot (including without limitation any and all contract sellers) which is a part of the Properties; however, the word "Owner" is not intended to include persons or entities who hold a lien or similar interest in a Lot merely as security for the performance of an obligation.

(g) "Member" shall mean and refer to each Owner of a Lot as a constituent of the Association.

(h) "Declarant" shall mean and refer to Shadowbriar, a joint venture entity, and its successors and assigns.

ARTICLE II

Location

The principal office of the Association shall be at Suite 616, East Carillon Tower, 13601 Preston Road, Dallas, Texas 75240, until:

(a) the Common Area has been conveyed to the Association by the Declarant; or

(b) an alternative office address has been designated by the Board of Directors of the Association,

whichever occurs first in time. The Board of Directors may, at any time and from time to time, designate one or more offices as the situs of matters pertaining to the day-to-day operation of the Association.

ARTICLE III

Membership

Section 1. Every person or entity who is now or hereafter becomes an Owner shall automatically be and must remain a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of, and becomes a lien upon, the property against which such assessments are made as provided by the Declaration.

Section 3. The membership rights of any person whose interest in the Properties is subject to assessment, whether or not he or she be personally obligated to pay such assessment, may be suspended by action of the Board of Directors during the period when the assessment remains unpaid; but, upon payment of such assessment, his or her rights and privileges shall be automatically restored. If the Board of Directors has adopted and published rules and regulations governing the use of the Common Area and the personal conduct of any person thereon, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed sixty (60) days.

ARTICLE IV

Voting Rights

The Association shall have two classes of voting membership:

CLASS A: Class A Members shall be all Members and Owners other than Class B Members. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, may determine, but in no event shall more than one (1) total vote be cast with respect to any such Lot.

CLASS B: Class B Member(s) shall be the Declarant and its successors or assigns if such successors or assigns should acquire (by vesting of fee simple title or as a contract vendee) more than one developed Lot from Declarant for the purpose of constructing single-family residential dwellings thereon. The Declarant shall be entitled to six (6) votes for each Lot in which it has a fee simple, lien or contract interest; each of the remaining Class B Member(s) shall be entitled to one (1) vote for each Lot in which a fee simple or contract interest is held. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(2) on January 1, 1990.

ARTICLE V

Property Rights and Rights of
Enjoyment of the Common Area

Section 1. Each Owner shall be entitled to the use and enjoyment of the Common Area in accordance with the terms and provisions of the Declaration.

Section 2. Any Owner may delegate his or her rights of enjoyment in the Common Area to the members of his or her family who reside upon the Properties or to any of his or her tenants who reside thereon under a leasehold interest for a term of one (1) year or more. Such Owner shall notify the Secretary in writing of the name of any such person and of the relationship of the Owner to such person. The rights and privileges of each such person are subject to suspension to the same extent as those of the Owner. The Board of Directors may from time to time establish and promulgate additional rules and requirements concerning the delegation of enjoyment rights.

ARTICLE VI

Association Purposes and Powers

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are:

(a) to provide for and assist in maintenance, preservation and architectural control of the Properties and to promote the health, safety and welfare of the Owners and residents of the Properties;

(b) to borrow money (if necessary) and to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, subject to Part Four of the Texas Miscellaneous Corporation Laws Act;

(c) to cause the Common Area to be maintained, operated, regulated and administered in accordance with the terms and conditions of the Declaration;

(d) to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration;

(e) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments provided for by the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including any licenses, taxes or governmental charges which may be levied or imposed against the Common Area or any other property owned by the Association;

(f) insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors of the Association, will promote the common benefit and enjoyment of the Owners and residents of the Properties; provided, however, that no part of the net earnings of the Association shall inure to the benefit of or be distributable to any Member, director or officer of the Association, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Association related or pertaining to one or more of its purposes); and provided further, that no part of the activities of the Association shall include carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE VII

Board of Directors

Section 1. The business and affairs of the Association shall be managed by a Board of Directors. The number of individuals comprising the first or initial slate of directors shall be three (3) and thereafter the number of directors for subsequent slates of directors may be five (5), unless otherwise determined by the Board of Directors, but in no event less than three (3) nor more than nine (9) individuals. Commencing in April, 1980, the directors shall be elected at the annual meeting of the Members, except as provided in Section 2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified. Directors need not be residents of the State of Texas or Members of the Association. Any director may be removed with or without cause by the affirmative vote of the holders of four-fifths (4/5ths) of the votes represented at any Members' meeting at which a quorum is present; provided that the proposed removal is stated in the notice of the meeting.

Section 2. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of the Members entitled to vote called for that purpose.

Section 3. The Board of Directors may exercise all such powers of the Association and do all such lawful acts and things as are not by statute or by the Declaration or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the Members.

Section 4. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

Section 5. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Members at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, providing a quorum shall be present. In the event of the failure of the Members to fix the time and place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the Members, the meeting shall be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the Board of Directors may be held without notice of such time and at such place as shall, from time to time, be determined by the Board.

Section 7. Special meetings of the Board of Directors may be called by the Chairman (if such a position is designated) of the Board of Directors or the President, and shall be called by the Secretary on the written request of two (2) directors. Written notice of special meetings of the Board of Directors shall be given to each director at least three (3) days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 8. A majority of the directors shall constitute a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Declaration or by the Articles of Incorporation or elsewhere in these By-Laws. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. The Board of Directors, by resolution adopted by a majority of the whole Board, may designate two or more directors to constitute an executive committee, which committee, unless its authority shall be otherwise expressly limited by such resolution, shall have and may exercise all of the authority of the Board of Directors in the business and affairs of the corporation except where action of the Board of Directors is specified by statute. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board of Directors. The executive committee shall keep regular minutes of its proceedings and report the same to the Board when required. The designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him or her by law.

ARTICLE VIII

Election of Directors; Nominating Committee; Election Committee

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided unless otherwise determined by an affirmative vote of fifty-five percent (55%) of all votes belonging to the Members. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from

among Members or non-Members, as the Committee in its discretion shall determine. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to Members.

Section 5. All elections to the Board of Directors shall be made on written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting or special meeting called for elections).

Section 6. Each Member shall receive as many ballots as he has votes. Notwithstanding that a Member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that, because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the Member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine, will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the address then designated by the Secretary.

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five (5) Members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall:

(a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the Member or his proxy identified on the outside envelope containing them; and

(b) that the signature of the Member or his proxy on the outside envelope is genuine; and

(c) if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article XII, Section 2, and that such proxy is valid.

Such procedure shall be taken in this manner such that the vote of any Member or his proxy shall not be disclosed to anyone, even the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the Members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE IX

Powers and Duties of the Board of Directors

Section 1. The Board of Directors shall have power:

(a) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XII, Section 3.

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation (if any) and require of them such security or fidelity bonds as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.

(c) To establish, levy and assess, and collect the assessments or charges referred to hereinabove.

(d) To adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members and their guests thereon.

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association.

(f) In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

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

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XII, Section 3.

(b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) As more fully provided in the Declaration:

(1) To fix the amount of the assessment against each Lot for each assessment period with at least thirty (30) days notice in advance of such date or period; and, at the same time,

(2) To prepare or cause to be prepared a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member; and, at the same time,

(3) To send or cause to be sent a written notice of each annual assessment to every Owner subject thereto.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X

Officers

Section 1. The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer, and may include a Chairman of the Board, each of whom shall be

elected by the Board of Directors. Any two or more offices may be held by the same person, except that the President and Secretary shall not be the same person.

Section 2. The Board of Directors, at its first meeting after each annual meeting of Members, shall choose a President, one or more Vice Presidents, a Secretary and a Treasurer, none of whom need be a member of the Board, and may appoint one of their number as Chairman of the Board.

Section 3. Such other officers and assistant officers and agents, as may be deemed necessary, may be elected or appointed by the Board of Directors.

Section 4. The salaries or compensation of all officers and agents of the Association shall be fixed by the Board of Directors or as otherwise prescribed from time to time by the Board of Directors.

Section 5. The officers of the Association shall hold office until their successors are chosen and qualify. Any officer or agent or member of the executive committee elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Association by reason of death, resignation, removal or otherwise shall be filled by the Board of Directors.

Chairman of the Board and President

Section 6. The Board of Directors may designate whether the Chairman of the Board, if such an officer shall have been appointed, or the President, shall be the chief executive officer of the Association. In the absence of a contrary designation, the President shall be the chief executive officer. The chief executive officer shall preside at all meetings of the Members and the Board of Directors, and shall have such other powers and duties as usually pertain to such office or as may be delegated by the Board of Directors. The President shall have such powers and duties as usually pertain to such office, except as the same may be modified by the Board of Directors. Unless the Board of Directors shall otherwise delegate such duties, the President shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 7. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

Vice President

Section 8. The Vice Presidents, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Secretary

Section 9. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members, and record all the proceedings of the meetings of the Association and of the Board of Directors in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he or she shall be. He or she shall keep in safe custody the seal of the Association, and, when authorized by the Board of Directors, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his or her signature or by the signature of the Treasurer, an Assistant Secretary, or an Assistant Treasurer.

Section 10. The Assistant Secretaries, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the power of the Secretary. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Treasurer

Section 11. The Treasurer shall have the custody of the Association funds and securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

Section 12. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer, and of the financial condition of the Association.

Section 13. If required by the Board of Directors, the Treasurer shall give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Association, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Association.

Section 14. The Assistant Treasurers, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE XI

Committees

Section 1. From and after April, 1980, the Standing Committees of the Association shall be:

The Nominations Committee
The Recreation Committee
The Maintenance Committee
The Architectural Control Committee
The Publicity Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors for Board contact. The committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities (if any) of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Architectural Control Committee shall have the duties and functions described in the Declaration. It may watch for any proposals, programs, or activities which may adversely affect the residential value of the Properties and shall advise the Board of Directors regarding Association action (if any) on such matters.

Section 6. The Publicity Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. The Audit Committee shall supervise the annual preparation of the Association's books and approve the annual budget and balance sheet statement to be presented to the Membership at its regular annual meeting. The treasurer shall be an ex officio member of the Audit Committee.

Section 8. With the exception of the Nominations Committee and the Architectural Control Committee (but then only as to those functions that are governed by the Declaration), each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 9. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XII

Meetings of Members

Section 1. Meetings of the Members shall be held in the City of Houston, State of Texas at such location therein as shall be specified in the notice of the meeting or in a waiver thereof.

Section 2. An annual meeting of Members, commencing in the year 1980, shall be held on the third (3rd) Tuesday of the Month of April in each year, unless such day is a legal holiday, in which case such meeting shall be held at the specified time on the first business day thereafter which is not a legal holiday. At such meeting, the Members entitled to vote thereafter shall elect by a plurality vote a Board of Directors, and may transact such other business as may properly be brought before the meeting.

Section 3. Special meetings of the Members may be called by the Board of Directors, the President, or the holders of not less than one-fourth (1/4th) of all votes.

Section 4. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting (and in accordance with any requirements set forth in the Declaration), either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his or her address as it appears on the membership books of the Association, with postage thereon prepaid. Each Member shall register his or her address with the Secretary of the Association, or an agent of the Association designated by the Directors, and notices of such meetings shall be delivered or mail to him or her at such address.

Section 5. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

Section 6. The holders of a majority of the votes, represented in person or by proxy, shall constitute a quorum at meetings of Members except as may be otherwise provided in the Declaration or in the Articles of Incorporation. If, however, a quorum shall not be present or represented at any meeting of the Members, the Members present in person, or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

Section 7. The vote of the holders of a majority of the votes represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law or by the Articles of Incorporation.

Section 8. A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable.

Section 9. The officer or agent having charge of the membership books shall make, at least ten (10) days before each meeting of the Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and number of votes held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at a designated office of the Association, and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any Member during the whole time of the meeting. The membership books shall be prima facie evidence as to who are the Members entitled to examine such list or membership book or to vote at any such meeting of Members.

Section 10. Any action required by the statutes to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE XIII

Proxies

Section 1. At all Association meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the Member of his Lot.

ARTICLE XIV

Books; Papers; Notices

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member.

Section 2. Notices to directors and Members shall be in writing, shall specify the time and place of the meeting and shall be delivered personally or mailed to the directors or Members at their addresses appearing on the books of the Association. Notice by mail shall be deemed to be given at the time when same shall be mailed. Notice to directors may also be given by telegram.

Section 3. Whenever any notice is required to be given to any Member or director under the provisions of the statutes or of the Declaration or of the Articles of Incorporation or of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 4. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XV

Corporate Seal

The Association may have a seal in circular form having within its circumference the words:

SHADOWBRIAR COMMUNITY ASSOCIATION, INC.,
Non Profit Corp.

In no event, however, shall any corporate seal be required to be affixed to any document or instrument in order to validate, effectuate or authorize the matters contained within said instrument on behalf of the Association.

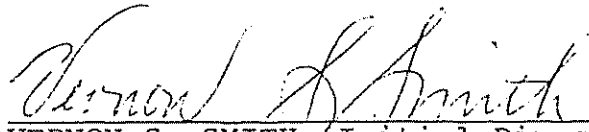
ARTICLE XVI

Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the Board of Directors or of the Members, by a vote of a majority of a quorum of the Members present in person or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as may be provided in the Articles of Incorporation of this Association or as required by applicable law; and provided further that any matter stated herein to be, or which is in fact, governed by the Declaration may not be amended except as may be provided in such Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation of this Association and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration of this Association and these By-Laws, the Declaration shall control.


IN WITNESS WHEREOF, we, being all of the initial Directors of the SHADOWBRIAR COMMUNITY ASSOCIATION, INC., have adopted the foregoing Articles and Sections as the By-Laws of the SHADOWBRIAR COMMUNITY ASSOCIATION, INC. and hereunto set our hands this 7th day of May, 1979.



 VERNON S. SMITH, Initial Director



 MICHAEL E. BUQUOI, Initial Director



 PAUL A. NELSON, Initial Director



OFFICE OF THE SECRETARY OF STATE
 CERTIFICATE OF INCORPORATION
 OF

SHADOWERIAR COMMUNITY ASSOCIATION, INC.

The undersigned, as Secretary of State of the State of Texas, hereby certifies that duplicate originals of Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

Dated January 23, 1979.


 Secretary of State

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