

BY-LAWS
OF
SUMMERWOOD MASTER ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation is Summerwood Master Association, Inc. (hereinafter referred to as the "Association").

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Summerwood Master Association, Inc., a Texas non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean and refer to any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, which is owned by the Association or which is owned by a Summerwood Association and for which the Association has operation and maintenance responsibility pursuant to a contract with such member.

Section 3. "Declarant" shall mean and refer to McCord Development Communities, L.P., its successors and assigns.

Section 4. "Declaration" shall mean and refer to each Declaration of Covenants, Conditions and Restrictions recorded in the Official Public Records of Real Property of Harris County, Texas, applicable to a portion of the Summerwood Project and administered by a Summerwood Association.

Section 5. "Lot" shall mean and refer to any portion of the Properties, whether developed or undeveloped, upon which a Single Family Residence has been constructed or it is intended that a Single Family Residence be constructed, excluding reserve tracts, but including lots created by the platting or replatting of a reserve tract. "Lots" shall mean and refer to each Lot and all of them. In the case of a parcel of land planned for single family residential development which has not been platted into Lots, the parcel shall be deemed to contain the number of Lots designated by the Declarant on the development plan for such parcel of land unless or until a different number of Lots is platted.

Section 6. "Member" shall mean and refer to (i) each Summerwood Association and (ii) the Declarant, as long as it owns any portion of the property in the Summerwood Project.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation or those owning an interest in the mineral estate.

Section 8. "Properties" shall mean and refer to all of the real property within the jurisdiction of the Summerwood Associations.

Section 9. "Single Family Residence" shall mean and refer to a detached residence constructed on a single Lot within the Properties intended for use and occupancy by a single family.

Section 10. "Summerwood Association" shall mean and refer to a non-profit corporation with jurisdiction over a portion of the Summerwood Project which has entered into a contract for services with the Association.

Section 11. "Summerwood Project" shall mean and refer to the approximately 1,400 acre multi-use development project being developed by the Declarant in Harris County, Texas and any additional tracts of land hereafter added to such project by the Declarant.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year after the date of the incorporation of the Association on a date designated by the Association's Board of Directors, and each subsequent regular annual meeting of the Members shall be held on a day selected by the Board of Directors in the same month of each year thereafter, at a time designated by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-third (1/3) of the aggregate votes of the Members.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the

meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereat. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of of the Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary.

Section 6. Voting. Each Member shall have one (1) vote on matters which are submitted to the Members for a vote.

Section 7. Action Without a Meeting. Any action required by law to be taken at a meeting of the Members of the Association or any action that may be taken at a meeting of the Members of the Association, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number; Appointment of Directors. The affairs of this Association shall be managed by a Board of Directors (the "Board") initially containing five (5) members. Beginning on January 1, 1999 and as long thereafter as the Declarant remains a Member of the Association, the Board shall contain the greater of three (3) members or two (2) times the number of Summerwood Association Members plus one (1) and each Summerwood Association shall have the right to appoint one (1) member of the Board and the Declarant shall have the right to appoint all other members of the Board. Effective as of the first day of the calendar year after the date on which the Declarant ceases to own any portion of the Summerwood Project and is no longer a Member of the Association, the Board shall contain a number of directors equal to the number of Summerwood Association Members and each Summerwood Association Member shall have the right to appoint one (1) member of the Board; provided however, if there are less than three (3) Summerwood Association Members, the Board shall contain two (2) times the number of Summerwood Association Members and each Summerwood Association Member shall have the right to appoint two (2) members of the Board and provided further that if there is only one (1) Summerwood Association Member, the Board shall contain three (3) members and such Summerwood Association shall have the right to appoint all members of the Board.

Section 2. Term of Office. The initial members of the Board of Directors shall serve until the end of calendar year 1998. Thereafter all Directors shall be appointed

by the Members for a one (1) calendar year term and each Member shall appoint such number of members of the Board as it is entitled to appoint before the beginning of each calendar year.

Section 3. Removal. The Member who appoints a Director may remove such director with or without cause at any time and appoint a replacement director. In the event of the death, resignation or removal of a director, his successor shall be selected by the Member who appointed him for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place and with such frequency as the Board from time to time deems necessary.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after no less than three (3) days notice to each director.

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

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action which they could take at a meeting by execution of a written consent instrument signed by all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities located thereupon by the members of the Summerwood Associations;
- (b) suspend the right of an individual to use the Common Area, after notice and hearing, for a period not to exceed 60 days for infraction of rules and regulations adopted by the Association's Board;
- (c) suspend the right to use the Common Area by all members of an Summerwood Association Member during any period in which such Summerwood Association Member shall be delinquent in the payment of any sum payable to the Association pursuant to its service contract with the Association in excess of 30 days;
- (d) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws or the Articles of Incorporation;
- (e) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (f) employ a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties; and
- (g) enter into contracts with the Summerwood Associations whereby the Association will perform various services for the Summerwood Associations.

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

- (a) 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 statement is requested in writing by one-third (1/3) of the Members who are entitled to vote;
- (b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) procure and maintain adequate liability and hazard insurance on property owned by the Association or property which the Association is by contract with an Summerwood Association responsible for operating or maintaining and, at the option of the Board of Directors, directors and officers liability insurance;
- (d) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (e) cause the Common Area to be maintained; and
- (f) perform the other duties of the Association set forth in the service contracts entered into by it with the Summerwood Associations.

ARTICLE VII

OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors in each calendar year.

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

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

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

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all service contracts with Summerwood Associations, leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as may be required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; if requested by the Board, shall cause an audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting.

ARTICLE VIII

COMMITTEES

The Association shall appoint such committees as it deems appropriate in carrying out its purposes.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: Summerwood Master Association, Inc.

ARTICLE XI

AMENDMENTS

Section 1. These By-Laws may be amended at any time by the Directors by majority vote.

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

ARTICLE XII


MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

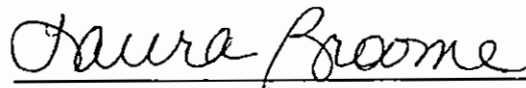
IN WITNESS WHEREOF, we, being all of the directors of the Association have hereunto set our hands as of the 20th day of August, 1998.



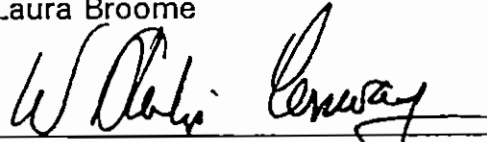
Susan Alexander



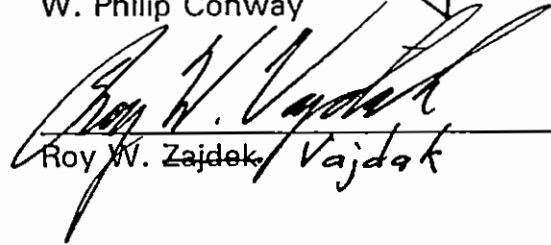
John Mature



Laura Broome



W. Philip Conway



Roy W. Zajdek, Zajdek

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Summerwood Master Association, Inc., a Texas non-profit corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted by Unanimous Written Consent of the Board of Directors dated the 20th day of August, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 20th day of August, 1998.

Laura Broome
Secretary

[SEAL]