

BY-LAWS

OF

BARKERS RIDGE HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Barkers Ridge Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 900 Threadneedle, Suite 450, Houston, Texas 77079, but the meetings of the members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "The Act" shall mean and refer to the Texas Non-Profit Corporation Act. TEX. REV. CIV. STAT. ANN. ART. 1936--1.01-9.03 (Vernons & Supp. 1979), as amended.

Section 2. "Architectural Control Committee" shall mean and

Section 8. "Member" and/or "Members" shall mean and refer to all those Owners (as defined below) who are Members of the Association as provided in the Declaration and all Supplemental Declarations.

Section 9. "Owner" shall mean and refer to the record Owner, if such Lot is subject to a term purchase contract with Declarant, to the contract seller, whether one or more persons or entities of the fee simple title to any Lot which is a part of the Properties, but, notwithstanding any applicable theory of mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. References herein to "the Owners (any Owner) in the Subdivision" shall mean and refer to Owners as defined respectively in the Declaration and all Supplemental Declarations.

Section 10. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions bringing additional property within the scheme of the Declaration and the jurisdiction of the Association under the authority provided in the Declaration. References herein (whether specific or general) to provisions set forth in "any" shall be deemed to relate to

Section 11. "The Properties" shall mean and refer to the Properties described in the Declaration which are subject to the restrictions, covenants, conditions, stipulations and reservations of the Declaration.

Section 12. "The Subdivision" shall mean and refer to those properties being part of Barkers Ridge, Section One (1), being 83.0413 acres out of the W.C.R.R. Company Surveys Abstract Nos. 896 and 906, Harris County, according to the Plat thereof to be recorded in the Map Records of Harris County, Texas, all subsequent sections of Barkers Ridge brought within the jurisdiction of the Association; and any other real property (including specifically, but without limitation, all or portion of other subdivisions being or to be developed by Declarant or affiliated or subsidiary entities) hereafter brought within the general scheme of the Declaration and the jurisdiction of the Association pursuant to the provisions set forth in the Declaration.

Section 13. "VA" shall mean and refer to the Veterans Administration.

ARTICLE III

MEETINGS OF MEMBERS

date for the annual meeting of Members is a legal holiday, the meeting will be at the same hour of the first day following which is not a legal holiday. The failure to hold the regular annual meeting at the designated time shall not work a dissolution of the Association.

Section 2. Special Meetings. Special meeting of the Members may be called at any time by the president or by the Board of Directors, or upon the written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of Members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, date and hour of the meeting, and the purpose of the meeting, Notice of annual meeting shall not be required, but may be given in a like manner.

Supplemental Declaration, or these Bylaws. If however, such quorum shall not be present or represented at the meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. No such subsequent meeting shall be held more than sixty (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. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of this Association shall be managed by a Board of Directors of not less than five (5) directors who need not be members of the Association. The number of Directors may be increased or decreased from time to time by amendment of the Bylaws in

successors are duly elected and qualified. There shall be five (5) positions on the Board of Directors. At the annual meeting of 1985, the Members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and one (1) director for a term of (3) years. At each annual meeting thereafter the Members shall elect that number of directors equal to the number of directors whose terms expire at such time, such directors to serve for a term of three years each. Any vacancy, from whatever cause, occurring in the Board of Directors shall be filled by appointment made by the remaining director or directors. The person appointed by the remaining directors to fill such vacancy shall serve for the remainder of the unexpired term of said appointed director's predecessor, and thereafter until his successor is duly elected and qualified.

Section 3. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more persons who may, but not need be, 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

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.

Section 4. Election. Election to the Board of Directors shall be by secret ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration or any applicable Supplemental Declaration. The persons receiving the largest number of votes shall be elected.

Section 5. Removal. No member of the Board of Directors shall be removed from office except for malfeasance in the conduct of his duties. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of the predecessor.

Section 6. Compensation. No director shall receive compensation for any services rendered to the Association; provided, however, any director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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 director after not less than five (5) days notice to each director, which such notice may be waived at or prior to such meeting.

Section 3. Quorum. A majority of the number of directors, but not less than three (3) 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 of Directors.

Section 4. Action Without a Meeting. Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all of the Members of the Board of Directors. Such consent shall be placed in the minute book of the Association with the minutes of the Board of 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 the

following rights and powers:

- (a) to suspend the voting rights of a Member during the period said Member is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against said Members Lot; and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and
- (b) to exercise for the Association all rights, powers, duties and authority granted, vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration or applicable Supplemental Declaration; and
- (c) to designate a depository for the funds of the Association and to designate officers or other persons who shall be authorized to withdraw funds and sign checks on such account; and
- (d) to designate an officer of the Association or other person who shall be authorized to sign all leases, mortgages, deeds, promissory notes and other written instruments on behalf of the Association; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services; and
- (f) adopt and publish rules and regulations governing the use of Common Area and facilities, and the personal conduct of the members and guests thereon, and to establish penalties for the infraction thereof.

(b) fix the amount of the annual assessment (and special assessments) against properties subject to the jurisdiction of the Association for each assessment period at least thirty (30) days in advance of such date or period and, at that time, prepare a roster of the properties and assessments applicable hereto; and, further, to take such actions as it deems appropriate to secure payment thereof; and

(c) procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities, if any, owned or leased by the Association; and

(d) cause the Common Area to be maintained.

ARTICLE VII

OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first annual meeting of the Board of Directors following each annual meeting of Members.

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

Section 4. Special Appointments. The Board of Directors 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 of Directors 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 of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or 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 of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Execution of Association Documents. In the absence of a designation by the Board of Directors of an officer or other person authorized to sign all leases, mortgages, deeds, promissory notes, checks and other written instruments, any officer of the Association may sign such documents on its behalf

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Section 8. Duties. The duties of the officers of the Association are as follows: (all such duties may be required of a manager if the Association and its officers so elect).

President

(a) The president shall preside at all meetings of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried out.

Vice-President

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

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds; keep proper books of account; keep accurate books and records of the fiscal affairs of the Association and make the same available for inspection by Members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in Section 3. of Article IV of these Bylaws. The Board of Directors may appoint other committees as deemed appropriate in carrying out the Association's 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

available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X
ASSESSMENTS

As more fully provided in the Declaration, each Owner is obligated to pay to the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. In the event an Owner's assessment is delinquent in excess of thirty (30) days, any services provided for the Members and funded from the annual or special assessments may be terminated. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of such action shall be added to the amount of such assessment. No Owner may

ARTICLE XI
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and within the center the word "Texas".

ARTICLE XII
AMENDMENTS

Section 1. Amendment. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy. However, the FHA or the VA shall have the right to veto any such amendments while there is a Class B membership.

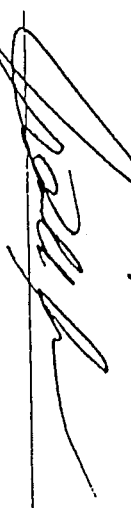
Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration or applicable Supplemental Declaration and these Bylaws, the Declaration or applicable Supplemental Declaration shall control.

ARTICLE XIII

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 of the Association.

IN WITNESS WHEREOF, we being all of the Members of the Board of Directors of Barkers Ridge Homeowners Association have hereunto set our hands this 16th day of April, 1984.


Franklin Allen


Gary J. Hannon


Janice A. Kucera

BARKERS RIDGE HOMEOWNERS ASSOCIATION

c/o Ms. Carolyn Bonds
Crest Management Company
16360 Park Ten Place Dr.
Suite 310
Houston, Texas 77084

RESOLUTION FOR POLICY ADOPTION

WHEREAS, the Board of Directors of the Barkers Ridge Homeowners Association (the "Association"), held a Board of Directors meeting on February 26, 2001; and

WHEREAS, the Board of Directors determined that, over the last few years, the state of Texas had passed legislation allowing an owner of a home within the state of Texas to use the equity interest in his home as collateral for a loan procured by the homeowner from a financial entity doing business in the state of Texas (hereinafter referred to as an "Equity Loan");

WHEREAS, the dedicatory instruments in place for the Barkers Ridge Subdivision currently provide for the subordination of the Association's assessment lien to any lien created to secure the payment of monies advanced on account of the purchase price and/or the construction of improvements on any Lot located within the Barkers Ridge Community; to wit:

Subordination of the Lien to Mortgages To secure the payment of the maintenance fund and all annual and special assessments established hereby and to be levied on individual residential Lots, there is hereby reserved in each Deed (whether specifically stated therein or not) by which the Declarant shall convey such Lots, a Vendor's Lien for benefit of the Association, said lien to be enforceable through appropriate proceedings at law by such beneficiary; provided, however, that each such lien shall be secondary, subordinate and inferior to all liens, present and future given, granted and created by or at the instance and request of the Declarant and the Owner of any such Lot to secure the payment of monies

shall give the holder of such first mortgage lien sixty (60) days written notice of such proposed action, which notice shall be sent to the nearest office of such first mortgage holder by prepaid U.S. Registered Mail, and shall contain a statement of the delinquent maintenance charges or annual or special assessments upon which the proposed action is based. Upon the request of any such first mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular Lot covered by such mortgage lien to the holder thereof. The sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any future assessments.

WHEREAS many homeowners have had difficulty procuring Equity Loans from financial entities because of the equity lienholder's uncertainty as to whether the Association's lien for assessments would be deemed superior to the lien securing the Equity Loan in light of the above-noted language set forth within the dedicatory instruments governing the Barkers Ridge Community.

WHEREAS the Association desires to facilitate the acquisition of Equity Loans to owners of residences within the Barkers Ridge Community by acknowledging the manner in which it will treat lenders who seek to provide Equity Loans collateralized by residences with the Barkers Ridge Community.

BE IT RESOLVED that the Association will treat the lien for an Equity Loan as if it were the lien of any first mortgage and will, prior to pursuing foreclosure of the assessment lien, provide to the Equity Loan lender all notices required by the Association to the lien holder of a

Loan lender provide to the Association the following:

- (1) Immediate notice of any sale and/or transfer of the note and deed of trust comprising the Equity Loan; such notice setting forth, in detail, the name of the institution acquiring and/or purchasing the note and deed of trust, its address for receipt of the notice, as well as a contact person to which the notice should be addressed, if any.
- (2) On an annual basis, between February 1st and March 1st of each year, the address for receipt of the notice as well as a contact person to which the notice should be addressed, if any.

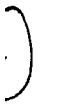
WHEREAS, the Board of Directors determined that adoption of such a policy would be appropriate and in accordance with, *inter alia*, Tex. Prop. Code Ann. §204.010 (21), and Tex. Non-Profit Corporations Act. Art. 1396-2.02 (15); and

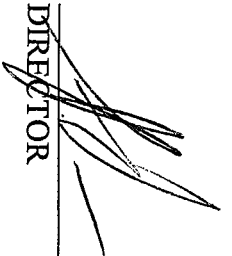
WHEREAS, during the course of business, a vote of the Board of Directors was taken to approve adoption of the proposed policy pursuant to the Association's Bylaws; and

WHEREAS, upon review of the votes cast for the above proposal, it was determined that the above-listed Equity Loan policy was passed.

The resolution was adopted by the Board of Directors on February 26, 2001.
IN WITNESS WHEREOF, the undersigned have executed this Resolution the 26 day of

February, 2001

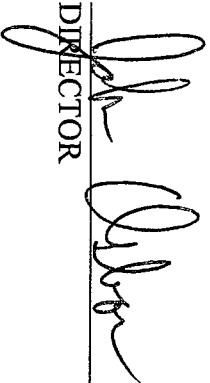
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DIRECTOR

Luca S. Kip

DIRECTOR

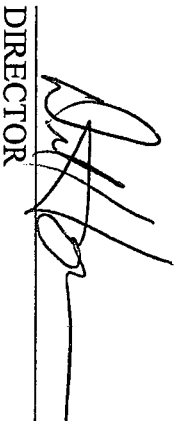


DIRECTOR

DIRECTOR

Fred Salvar

DIRECTOR



DIRECTOR

DIRECTOR

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