

BYLAWS
OF
PARK MEADOW HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I.

Name and Location

1. Name

The name of the corporation is Park Meadow Homeowners' Association, Inc., hereinafter referred to as the "Association".

2. Principal Office

The principal office of the Association shall be located at 3131 Briarcrest Drive, Suite 102, Bryan, Texas 77802, but meetings of the Members may be held at such places within the State of Texas, County of Brazos, as may be designated by the Board of Directors.

ARTICLE II.

Definitions

3. "Association" refers to Park Meadow Homeowners' Association, Inc.

4. "Members" shall be every person or entity who is a record Owner of a fee or undivided interest in any Lot which is subject to assessment by the Association pursuant to the Protective Covenant or any other covenants of record, provided that any such person or entity who holds such interest merely as security for the performance of any obligation shall not be a Member.

5. "Park Meadow" shall mean and refer to that certain 46.313 acres of land more particularly described in Exhibit "A" attached hereto and such additional lands that subsequently become subject to the Park Meadow Protective Covenants.

6. "Protective Covenants" shall be the Declaration of Covenants, Conditions and Restrictions for Park Meadow, as recorded in Volume 3972, at Page 248 of the Official Records of Brazos County, Texas.

7. The term "Developer" shall mean Bryan Development, Ltd. or its successors or any person, partnership or corporation or other entity to which Bryan Development, Ltd. shall convey all or substantially all of its land.

8. "Owner" shall mean and refer to the record Owner, whether one (1) or more person or entities, of the fee simple title to any Lot situated within Park Meadow but shall not mean or refer to any mortgagee or lienholder unless and until such mortgagee or lienholder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

9. "Lot" shall mean and refer to those certain tracts or parcels of land, being ninety-eight (98) in number, shown upon the recorded subdivision map or plat of Park Meadow recorded in Volume 3972, at Page 15 of the Official Records of Brazos County, Texas, and designated with a numerical number thereon and any such tract or parcels of land added thereto pursuant to the Protective Covenants.

10. "Patio Home" shall mean and refer to any building which is designed and used exclusively for single family residential purposes, which may extend from a side property line of a Lot.

11. "Patio Home Lot" shall mean a Lot upon which a Patio Home is built.

ARTICLE II

Meeting of Members

1. Place of Meetings

All meetings of Members shall be held at the principal office of the Association, or at such other place within Brazos County, Texas, as may be designated by the Board of Directors or officers or Members calling the meeting.

2. Annual Meeting

The first regular meeting of the Members of the Association shall be held on March 31, 2002 at the principal office of the Association. If such date for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. The Board of Directors may postpone the time of holding the annual meeting of the Members for such period not exceeding ninety (90) days, as they deem advisable, and any annual meeting which is so postponed, or for any other reason not held on the date provided above (or on the first day following which is not a legal holiday), is herein referred to as a "delayed annual meeting." Failure to hold the annual meeting at the designated time shall not work a dissolution of the Association nor impair the powers, rights and duties of the Association's officers and directors.

3. Special Meetings.

Special meetings of the Members may be called at any time by the president or the Board of Directors. Special Meetings of Members may also be called by the secretary upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes to be cast at such meeting. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted upon at the meeting.

4. Notice of Meetings.

Written notice of all special meetings and delayed annual meetings stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the meeting to the then Members 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 Members at their addresses as they appear in the records of the Association, with postage thereon prepaid. Notice of annual meetings (which are not delayed) shall not be required, but may be given in like manner.

5. Quorum

Quorum requirements shall be set forth in the Protective Covenants and such voting rights provisions are specifically incorporated herein.

6. Proxies

At all meetings of Members, each Member who is entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Each proxy shall be revocable and shall automatically cease should membership in the Association cease.

7. Voting Rights

The voting rights of the Members shall be set forth in the Protective Covenants and such voting rights provisions are specifically incorporated herein. However, no Member shall be entitled to vote who has past due assessments of any kind owed to the Association or has a deed restriction violation being prosecuted in legal proceedings against him by the Association.

8. Officers at Meetings

Meetings of the Members shall be presided over by the president, or if he is not present, by any one of the vice presidents. The secretary shall act as the secretary of the meeting if present.

ARTICLE III

Board of Directors

1. Governing Body; Composition

The business and property of the Association shall be managed and controlled by the Board of Directors. The initial Board of Directors of the Association shall be William J. Lero, Morris F. Hamilton and Tom Giesenschlag. At the first Annual Meeting, the Members shall elect a Board of Directors consisting of either three (3), six (6) or nine (9) persons, as will be determined by Members voting at the first annual meeting. Such number may be increased or decreased by amendment of these Bylaws, provided that no decrease shall affect the shortening of the term of any incumbent director. Unless sooner removed in accordance with these Bylaws or until the Association has received a written resignation, members of the Board of Directors shall hold office until the next annual election occurring after their respective terms of office expire and until their successors have been elected and qualified.

2. Qualifications

Directors shall be Members of the Association.

3. Vacancies

Any vacancies occurring in the Board of Directors, including vacancies resulting from any increase in the number of directors, may be filled by affirmative vote of the majority of the directors then in office, though less than the quorum of the entire board, and the directors so elected shall hold office until the next annual election occurring after their respective terms of office expire and until their successors are elected and have qualified.

4. Term of Office

The initial directors for the Association, as set out in the Articles of Incorporation, shall hold office for an initial term up to the first annual meeting of the Members and/or until their successors shall have been elected and qualified. At the first annual meeting of the Members of the Association occurring after the terms of office expire, either three (3), six (6) or nine (9) persons shall be elected each to one of the positions on the Board of Directors to be designated in consecutive numbers one (1) through the number of directors elected. Positions three (3), six (6) and nine (9) shall be held by Patio Home Owners. The other positions shall be held by Members who are not Patio Home Owners. The terms of the directors shall be as follows: one-third (1/3) of the initial directors shall be elected for a term of one (1) year; one-third (1/3) of the initial directors shall be elected for a term of two (2) years and one-third (1/3) of the initial directors shall be elected for a term of three (3) years. At each annual meeting thereafter, the

Members shall elect a number of directors whose terms expire at such time, such directors to serve for a term of three (3) years.

5. 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 Members of the Association, who need not be members of the Board of Directors. 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. 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. No Member shall be a candidate if he owes assessments of any kind to the Association, or has a deed restriction violation being prosecuted in legal proceedings against him by the Association.

6. Election

Election of members of the Board of Directors may be by written, secret ballot or by such other manner as may be approved at a meeting. At such election, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the provisions of Article II, Section 7. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

7. Place of the Meeting

Meetings of the Board of Directors may be held either within or without the State of Texas, at whatever place is specified by the officer or director calling a meeting. In the absence of specific designation, the meeting shall be held at the principal office of the Association.

8. Regular Meeting

The Board of Directors shall meet once each year, immediately following the annual meeting of the Members, and at the place of such meeting, for the transaction of such business as may be properly brought before it. No notice of annual meetings need be given either to all the Members or the Board of Directors. Regular meetings may be held at such other times as shall be designated by the Board of Directors.

9. Special Meeting

Special meetings of the Board of Directors may be held at any time upon the call of the president, the secretary or any director. Notice shall be sent by mail or telegram to the last known address of each director at least three (3) days before the meeting. Oral notice may be substituted for such written notice if given not later than one day

before the meeting. Notice of the time, place or purpose of such meeting may be waived in writing before or after said meeting, and shall be equivalent to the giving of notice. Attendance of a director at such meeting shall also constitute a waiver of notice thereof, except when he attends for the announced purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Except as otherwise herein provided, neither the business to be transacted nor the purpose of any regular and special meeting of the Board of Directors need be specified in a notice or waiver of notice of such meeting.

10. Quorum

A majority of the number of directors fixed by these Bylaws as from time to time amended, shall constitute a quorum for the transaction of business, but a smaller number may adjourn from time to time until they can secure the attendance of a quorum. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any regular or special directors' meeting may be adjourned from time to time by those present, whether a quorum is present or not.

11. Compensation

Directors, as such, shall not receive any stated salary for their services, but, by unanimous vote of all directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; provided, that nothing contained herein shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefor.

12. Removal

Any director may be removed, either for or without cause, at any special meeting of Members by a majority affirmative vote of the Members. The notice calling such meeting shall give notice of the intention to act under such matter, and if the notice so provides, the vacancy caused by such removal may be filled at such meeting by a majority vote of the Members. For cause, a director may be removed at any meeting of the Board of Directors, by the affirmative vote of the majority of the Board of Directors then in office.

13. Nominating Committee

The Board of Directors shall appoint a nominating committee as provided in these Bylaws.

14. Powers of the Board of Directors

The Board of Directors shall have the power to:

- (a) suspend the voting rights of any Member during any period in which such Member shall be in default in the payment of any assessment, including, the annual maintenance fund charge, and special assessments (if any) levied by the Association, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations;
- (b) exercise for the Association all power, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Protective Covenants;
- (c) declare the office of a member of the Board of Directors to be vacated in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (d) employ a manager, an independent contractor or such other employee as they deem necessary, and to prescribe their duties in the terms of employment of services.

15. Duties of the Board of Directors

The duties of the Board of Directors shall be to:

- (a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or any special meeting, when such statement is requested in writing by twenty-five percent (25%) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) fix the amount of the annual assessment against property subject to the jurisdiction of the Association and to take actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- (d) issue, or cause an appropriate officer to issue upon demand, by any person, a certificate setting forth whether or not any assessment has been paid; to charge a reasonable charge for the issuance of such certificate; if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment; and
- (e) cause any officer or employee having fiscal responsibility to be bonded as it may deem appropriate.

ARTICLE IV

Officers and Their Duties

1. Officers

The officers of this Association shall be a president, who shall at all times be a member of the Board of Directors; a vice president or vice presidents, a secretary, and a treasurer, and such other officers as the Board of Directors may from time to time by resolution create, all of whom shall hold office for one year and until their successors are elected and qualified. Two or more offices may be held by the same person except that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Articles of Incorporation, the Protective Covenants or these Bylaws to be executed, acknowledged or verified by two or more officers.

2. Election of Officers

The election of officers shall take place at the first meeting of the Board of Directors following each meeting of the Members.

3. 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.

4. Salaries

The salaries, if any, of the officers shall be determined by the Board of Directors and may be altered by the Board of Directors, from time to time except as otherwise provided by contract.

5. Vacancies

Whenever any vacancies occur in any office by death, resignation, increase in the number of officers of the Association, or otherwise, same shall be filled by the Board of Directors, and each officer so elected shall hold office until his successor is chosen and qualified.

6. Removal

Any officer or agents elected or appointed by the Board of Directors, may be removed by the Board of Directors, with or without cause, whenever in its judgment, the best interest 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. Election or appointment of an officer or agent shall not of itself create contract rights,

7. President

It shall be the duty of the president to preside at all meetings of the Members and all meetings of the Board of Directors of the Association; to sign all deeds, conveyances, releases, mortgages; and to co-sign all checks and promissory notes.

8. Vice President

A vice president may perform the usual and customary duties that pertain to such office, but not unusual or extraordinary duties or powers conferred by the Board of Directors upon the president. A vice president shall also perform, under the direction and subject to the control of the Board of Directors, such other duties as may be assigned to him.

9. Secretary

It shall be the duty of the secretary to attend all meetings for the members of the Board of Directors and record correctly the proceedings had at such meetings in a book suitable for that purpose. It shall also be the duty of the secretary to keep the corporate seal of the Association and affix it to all papers requiring said seal; serve notice of meetings of the Board of Directors 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 designated by the Board of Directors. The duties of the secretary may also be performed by any assistant secretary. In the absence of appointment of a treasurer for the Association, the secretary shall also perform the duty of the treasurer.

10. Treasurer

The treasurer shall keep such money of the Association as may be entrusted to him and keep an account of same. The treasurer shall also co-sign all checks and promissory notes. The treasurer shall be prepared at all times to keep information as to the condition of the Association and shall make a detailed annual report of the entire business and financial condition of the Association. The person holding the office of the treasurer shall also perform, under the direction and subject to the control of the Board of Directors, such other duties as may be assigned to the treasurer. The duties of the treasurer may also be performed by any assistant treasurer.

11. Delegation of Authority

In the event of the absence of any officer of the Association, the Board of Directors may delegate some or all of the powers or duties of such officer to any other officer or any other director, employee, Member, or agent.

ARTICLE V

Assessments

As more fully provided in the Protective Covenants, each Member 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, and shall bear interest at the highest legal interest rate per annum allowed in the State of Texas at that time. Such charges shall be a covenant running with the land and to secure the payment thereof, a lien shall be retained upon the property subject to such charge. Such charge and lien shall be assigned by the Developer to the Association (without recourse on the Developer in any manner for the payment of such charge), which will collect all such annual maintenance fund charges and will administer the fund created thereby in order that uniformity and continuity will be maintained and preserved. Such lien shall be subordinate and inferior to all liens securing the amount due or to become due under any mortgage, vendor's lien or deed of trust affecting the property subject to any such charge which has been filed for record in Brazos County, Texas, prior to the date payment of such charges become due and payable and any foreclosure of any such prior superior lien under the power of sale of any mortgage, deed of trust, or other security instrument, or through Court proceedings, shall cut off and extinguish the liens securing charges which become due and payable prior to such foreclosure date, but such foreclosure shall not free any property from the lien securing charges thereafter becoming due and payable. The personal obligation of any property foreclosed shall not be extinguished by any such foreclosure.

ARTICLE VI

Indemnification

1. Persons; Scope; Advancement of Expenses. The Association shall indemnify a person to the full extent a corporation is required or permitted under Article 2.22A of the Texas Non-Profit Corporation Act ("TNPCA") and any other applicable laws, and may, at the discretion of the Board of Directors, advance reasonable expenses to such persons to the full extent and according to the procedures and standards of Article 2.22A of the TNPCA and any other applicable law.

2. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association or who is or was serving at the request of the Association as a director, officer, employee, or agent of the Association or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, other enterprise, or employee benefit plan, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the

Association would have the power to indemnify him or her against that liability under this Bylaw.

3. Vesting of Rights. Notwithstanding any other provision of these Bylaws to the contrary, no action taken by the Association, whether by amendment of these Bylaws or otherwise, shall diminish or adversely affect any rights to indemnification or advancement of expenses with respect to any event or transaction that occurs prior to such action being taken by the Association.

4. Nonexclusive. The indemnification provided by these Bylaws shall not be exclusive of any other rights to which a person may be entitled by law, Articles of Incorporation, Bylaw, agreement, vote of shareholders or disinterested directors, or otherwise. Indemnification shall continue and inure to the benefit of the heirs, executors and administrators of any person entitled to indemnification under the provisions of this Article VI.

ARTICLE VII

Miscellaneous Provisions

1. Amendments

These Bylaws may be altered or repealed at any regular meeting of the Members or at any special meeting of the Members at which a quorum is present or represented, provided notice of proposed alteration or repeal be contained in the notice of such special meeting, by the affirmative vote of the majority of the votes entitled to be cast at such meeting and present or represented at the meeting, or by the affirmative vote of a majority of the Board of Directors at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors if notice is given of the proposed alteration or repeal in the notice of such special meeting, except that directors shall not alter, amend or repeal any bylaw or enact any bylaw in conflict with a bylaw adopted by Members after the original adoption of these Bylaws.

2. Waiver

Whenever, under the provisions of any law, the Articles of Incorporation, or amendments thereto, the Protective Covenants, or these Bylaws, notice is required to be given to any Member, director, or committee member, a waiver thereof in writing signed by the person or persons entitled to receive such notice, whether before or after the times stated therein shall be equivalent to the giving of such notice.

3. Offices

The principal office of the Association shall be designated by resolution of the Board of Directors. The Association may also have offices at such other places as the Board of Directors may, from time to time, designate or as its business may require.

4. Resignation

Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

5. Actions without a Meeting

Any action required or permitted to be taken at a meeting of the Members or directors 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 or directors as the case may be, who are entitled to vote on the matter, and such consent shall have the same force and effect as a unanimous vote thereon. The signed consent shall be placed in the minute book.

6. Telephone Meetings

Members and directors may participate in and hold a meeting by means of a telephone conference call or similar communication, in which all participants in the meeting can hear each other. Participation in such meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objection to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

7. Books and Records

The books, records and papers of the Association shall at all times during the reasonable business hours be subject to inspection by any Member or director. The Protective Covenants, Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member or director at the principal office of the Association, where copies may be purchased at a just and reasonable cost.

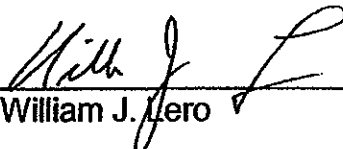
8. Conflict

In case of any conflict between the Article of Incorporation and these Bylaws, the Articles of Incorporation shall control.

9. Fiscal Year

The fiscal year of the Association shall be determined and established by the Board of Directors by appropriate resolution.

EXECUTED this 2nd day of January, 2002, by all Directors
of Park Meadow Homeowners' Association, Inc.



William J. Jero



Morris F. Hamilton



Tom Giesenschlag

S:\Docs\22030\025\Wordpmhoabylaws.Doc

EXHIBIT "A"

C:\WPDOCS\22030\025\Wordpmhoabylaws.Doc