

BYLAWS OF BRENTWOOD ESTATES HOMEOWNERS ASSOCIATION

These Bylaws (hereinafter referred to as the "Bylaws") effective March 2, 1999 by and between the Brentwood Estates Homeowners Association a Texas Non-Profit Corporation. (hereinafter referred to as "the Association") and its members for the purpose of operating, managing, maintaining and administering the affairs of the Association which may be amended from time to time by a vote of the Association as defined below. These Bylaws shall replace and supercede any and all prior bylaws of the Association.

ARTICLE 1: DEFINITIONS

1.01 "Plat" means the instrument recorded in Volume 388-174, at page 4, of the Plat Records of Tarrant County, Texas, establishing Brentwood Estates as a subdivision.

1.02 "Subdivision" (hereinafter referred to as "Brentwood Estates") means certain land containing a total of 125 Lots and certain improvements located thereon all as more particularly described in the Plat.

1.03 "Owner" means a person, firm, corporation, partnership, association, trust, or other, legal entity or any combination thereof owning one or more Lots in the Subdivision.

1.04 "Association" means Brentwood Estates Homeowners Association.

1.05 "Lot" means and refers to any discrete Parcel of property identified by a lot number on the Plat.

1.06 "Declaration" means and refers to that certain Declaration of Covenants, Conditions, and Restrictions recorded on January 9, 1986, Volume 8424, at Page 1436 of the Dead Records of Tarrant County, Texas, placing certain covenants, conditions, restrictions, stipulations and reservations upon and against the Subdivision in order to establish a uniform plan for the development, improvement and sale of the Subdivision and Lots.

ARTICLE 2: OFFICES

2.01 Principal Association Office(s). The office(s) of the Association shall be located in the State of Texas in the County of Tarrant in Brentwood Estates at the residence of the Secretary, unless otherwise designated by the Board of Directors.

ARTICLE 3: MEMBERS

3.01 Membership. Each Owner shall be a member of the Association and no other person or entity shall be entitled to membership. No member shall be required to pay any consideration solely for his membership in the Association, except for assessments established by the Association pursuant to Article IV of the Declaration.

ARTICLE 4: MEETINGS OF MEMBERS

4.01 Place of Meetings. Meetings of the members of the Association may be held at such place within the State of Texas, County of Tarrant, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

4.02 Annual Meeting. The annual meeting of the members of the Association shall be held within one hundred twenty (120) days of the end of the calendar year on such date and at such time as shall be designated from time to time by the Officers of the association.

4.03 Special Meeting. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, the Articles of Incorporation of the Association, the Bylaws, or the Declaration, may be called by the President, the Board of Directors, or by members holding not less than thirty percent (30%) of the Lots. Only such business shall be transacted at a special meeting as may be stated or indicated in the notice of such meeting.

4.04 Notice. Written or printed notice stating the place, day and hour of the meeting of members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than the ten (10) nor more

than fifty (50) days before the date of the meeting, either personally, by mail or by electronic means, by or at the direction of the President, the Secretary, or the officer or member calling the meeting, to each member of the Association 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 address as it appears on the membership list of the Association, with postage thereon prepaid.

4.05 Voting List. At least seven (7) days before each meeting of members the Secretary shall prepare a complete list of members entitled to vote thereat, arranged in alphabetized order, with address of each. For a period of seven (7) days prior to such meeting, such list shall be kept on file at the Brentwood Estates home of the Secretary of the Association and shall be subject to inspection by any member upon request to any officer of the Association. Such list shall be available at such meeting, and at all times during such meeting shall be subject to inspection by any member.

4.06 Quorum. Except as provided by statute or the Declaration, the presence in person or by proxy of members owning more than thirty percent (30%) of the Lots shall constitute a quorum at all meetings of the members for the transaction of business. If a quorum shall not be present or represent by proxy at any meeting of the members, the members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the original meeting.

4.07 Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting, the vote of a majority (fifty-one percent (51 %)) or more of the votes entitled to be cast by those members qualified to vote and present in person or represented by proxy at such meeting shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes, the Articles of Incorporation of the Association, these Bylaws or the Declaration, a different vote is required, in which case such express provision shall govern and control the decision of such question. The members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

4.08 Method of Voting; Proxies. Each member shall be entitled to one (1) vote for each Lot such member owns. No member shall be entitled to vote at any meeting of the Association until such member has presented to the Board of Directors evidence of ownership of a Lot. The vote of each member may only be cast by such member or by a proxy executed in writing by a member or his duly authorized attorney-in-fact. Each such proxy shall be filed with the Secretary of the Association prior to or at the time of the meeting. No proxies shall be valid after eleven (11) months from the date of its execution unless otherwise presented in the proxy. If no date is stated on a proxy, such proxy shall be presumed to have been executed on the date of the meeting at which it is to be voted on. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law. If title to a Lot shall be in the name of two or more persons as Owners, all of such persons shall be members of the Association and are referred to herein as "Joint-Owners." Any one of such Joint-Owners may vote at any meeting of the members of the Associations and such vote shall be binding upon such other Joint-Owners who are not present at such meeting unless written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint-Owners (in person or by proxy) shall be required to cast their vote as members. If two or more of such Joint-Owner are present at any meeting, their unanimous action shall also be required to cast their vote as members of the Association. Notwithstanding the above there can only be one vote for each lot no matter how many joint-owners own said lot.

4.09 Cumulative Voting Denied. At all meeting of the members of the Association cumulative voting shall not be permitted.

4.10 Officers. The President shall preside at and the Secretary shall keep the records of each meeting of members and in the absence of either or both such officers their duties shall be performed by the First Vice President presiding and/or the Second Vice President keeping the records at the meeting.

ARTICLE 5: DIRECTORS

5.01 Management. The business and affairs of the Association shall be managed by the Board of Directors, which shall also be the Officers of the Association, (consisting of the President, First Vice-President, Second Vice-President, Secretary and Treasurer) and subject to the restrictions imposed by law, the Articles of Incorporation of the Association, the Bylaws, and the Declaration, they may exercise all the power of the Association.

5.02 Number, Qualification, Election. The Board of Directors shall consist of at least five (5) directors, all of whom shall be officers of the Association and shall be elected by a majority of votes cast in person or by proxy. The directors/officers shall serve without compensation.

5.03 Removal; Change in Number, Vacancies. Any director may be removed either with or without cause, at any annual meeting of the members of the Association or at any special meeting of the members of the Association by the affirmative vote of sixty-seven percent (67%) or more of the votes entitled to be cast by those members qualified to vote and present in person or represented by proxy at such meeting, provided that notice of the intention to act upon such matter must have been given in the notice calling any such special meeting. If any vacancy occurs in the Board of Directors (by death or resignation), a successor or successors may be chosen by the affirmative vote of a majority of the remaining directors. Each successor director so chosen shall serve for the unexpired term of his predecessor in office. If more than two (2) directors must be replaced, a special meeting of the membership shall be called to elect new directors to fill the unexpired term. Any directorship to be filled by reason of the removal of director shall be filled by election at an annual meeting of members or at a special meeting of members called for that purpose.

5.04 Place of Meetings. The directors of the Association shall hold their meetings, both regular and special, except as otherwise provided by statute, within the State of Texas as the Board of Directors may from time to time determine.

5.05 First Meeting. The first meeting with newly elected Board of Directors (Officers) shall be held without further notice immediately following the annual meeting of members of the Association, and at the same place, unless by unanimous consent of the Board of Directors (Officers) elected and serving such time or place shall be changed.

5.06 Regular Meeting. Regular meetings of Board of Directors (Officers) may be held at such time and place as shall from time to time be determined by the Board of Directors (Officers).

5.07 Special Meetings. Special meetings of the Board of Directors (Officers) may be called by the President on two (2) days notice to each director, either personally, by mail, by electronic means, or by telegram; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request to two (2) directors. Except as may be otherwise expressly provided by statute, the Articles of Incorporation of the Association, these Bylaws or the Declaration, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice of such meeting.

5.08 Quorum. At all meetings of the Board of Directors the presence of a majority of the number of directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of directors present at any meeting at which there is a quorum, shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the Articles of Incorporation of the Association, these bylaws or the Declaration. If quorum shall not be present at any meeting 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.

5.09 Committees. Committees of the Association may be designated and appointed by the President if authorized by a resolution of the Board of Directors. Membership on such committees may, but need not be limited to directors or members of the Association.

5.10 Procedure. At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board of Directors may determine. The President shall preside at all meetings, and in his absence a chairman shall be chosen by the Board of Directors from among the directors present. The Secretary of the Association shall act as the secretary of the meetings of the Board of Directors unless the Board appoints another person to act as secretary of the meeting. The Board of Directors shall keep regular minutes of its proceedings which shall be placed in the minute book of the Association available for review by members upon request to the Association secretary. All committees shall keep regular minutes of their proceedings and shall report the same to the Board of Directors when required.

5.11 Managing Agents. The Board of Directors, with approval of the membership at an annual or special meeting, may employ for the Association a management agent or company at a compensation established by the Board of Directors and such management agent or company shall perform such duties and services with respect to the Association and/or, Subdivision as the Board of Directors shall authorize, and the Board of Directors may delegate to such management agent company such duties with respect to administration, management, repair, and maintenance of the Association and/or Subdivision which are not, by statute, required to be performed by or have the approval of the Board of Directors or the

members of the Association.

ARTICLE 6: NOTICES

6.01 Method. Whenever by statute, the Articles of Incorporation of the Association, these Bylaws, or the Declaration, notice is required to be given to any director or member, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given (a) in writing, by mail, postage prepaid, addressed to such director or member at such address as appears on the records of the Association, or (b) by any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be deposited in the United States mail as aforesaid. Any notice required or permitted to be given by telegram or electronic means shall be deemed to be delivered and given at the time transmitted with all charges prepaid and addressed as aforesaid.

6.02 Waiver. Wherever any notice is required to be given to any member or director of the Associating by statute, the Articles of Incorporation of the Associations, these Bylaws, or the Declaration, a waiver thereof in writing signed by the person or persons, entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice. Attendance of a member or director at a meeting shall constitute a waiver of notice of such meeting, except where such person attends for the express purpose of objection to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE 7: OFFICERS

7.01 Number, Titles. Except as hereinafter provided, the Officers of the Association shall be elected by the members of the Association and, as a minimum, shall be a President, First Vice President, Second Vice President, Secretary, and Treasurer. Any two or more offices may be held by the same person except that the President and Secretary shall not be the same person.

7.02 Election. The members of the Association will elect, as a minimum, a President, First Vice President, Second Vice President, Secretary, and Treasurer, all of whom shall be members of the Board of Directors.

7.03 Term of Office. Each officer of the Association, with the exception of the President, shall hold office for two (2) years, or until his resignation or removal from office. Any officer elected by the Association or appointed by an Officer of the Association may be removed at any time by the affirmative vote of a majority of a quorum when a special meeting is called to vote for removal of an officer.

7.04 President. The President shall be the chief executive officer of the Association. He/she shall preside at all meetings of the members and of the Board of Directors/Officers of the Association, shall have general and active management of the business and affairs of the Association and shall see that all orders and resolutions of the Board/Association are carried into effect. The President shall not hold such office for more than two (2) consecutive terms (4 years).

7.05 Vice President(s). Each Vice President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to him/her. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

7.06 Secretary. The Secretary shall attend all sessions of the Board of Directors/Association Officers and all meetings of the members and record all votes and the minutes of all proceedings in a book kept for that purpose and shall perform like duties for any committees when required. He/she shall give or cause to be given, notice on all meeting of the members and special meetings of the Board of Directors/Officers, and shall perform such other duties as may be prescribed by the President, under whose supervision he/she shall be.

7.07 Assistant Secretaries. Each Assistant Secretary shall have such powers and perform such duties as the President may from time to time delegate to him/her.

7.08 Treasurer. The Treasurer shall have the custody of the corporate/Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements of 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/established for such funds. The Treasurer shall disburse the funds of the association as may be ordered by the Board of Directors. A second signature from another Director/Officer will be secured, and obtain proper vouchers for such disbursements, and shall render to the President and officers, at the regular meetings of the Associations or, whenever they may require it, an account of all transactions as treasurer and of the financial condition of the Association. In case of death, retirement or removal from office, all documents, all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Association will be returned to the President or Vice-President.

ARTICLE 8: MISCELLANEOUS PROVISIONS

8.01 Reserves. There may be created by resolution of the Board of Directors/Association Officers such reserve or reserves as the Officers from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any portion of the Subdivision, or for such other purposes as the Directors/Officers shall think beneficial to the Association, and the Directors/Officers may modify or abolish any such reserve in the manner in which it was created.

8.02 Checks. All checks or demands for money and notes of the Association shall be signed by the Treasurer and the President or other authorized Director.

8.03 Books and Records. The Association shall keep correct and complete books and records of account, shall keep minutes of the meetings of its members and Board of Directors (Officers) of the Associations and shall keep a record of its members, giving the names and addresses of all members.

8.04 Fiscal Year. The fiscal year of the Association will be from January 1 through December 31.

8.05 Indemnification. The officers and directors shall not be liable to the members of the Association for any mistake in judgment, except for breach of fiduciary duty, negligence, or misconduct in the performance of duty. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that any member of the Association may be liable therefor), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. The Association shall indemnify any director, officer, or employee, or former director, officer or employee of the Association, against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgment in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a director, officer, or employee (whether or not a director, officer, or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matter as to which he shall be adjudged in such action, suit, or proceeding to be liable for breach of fiduciary duty or for negligence or misconduct in the performance of duty. The Association may also reimburse to any director, officer or employee the reasonable costs of settlement of any such action, suit, or proceedings, if it shall be found by a majority of a committee of the directors not involved in the matter in controversy, whether or not a quorum, that it was to the interest of the Association that such settlement be made and that such director, officer, or employee was not guilty of breach of fiduciary duty, negligence, or misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive for any other rights to which such director, officer, or employee may be entitled by law or under any bylaw, agreement, vote of members or otherwise. The Association shall obtain a policy of liability insurance insuring such directors, officers, employees, or former directors, officers, or employees against the matters provided in this Section 8.05 with an aggregate limit of at least \$1,000,000.00.

8.06 Common or Interested Directors or Officer. Each director and officer shall exercise his powers and duties in good faith and with a view to the interests of the Association. No contract or other transaction between the Association and any of its directors or officers, or between the Association and any corporation, firm, or association in which any of the directors or officers of the Association are directors or officers or are Pecuniarily or otherwise interested, is either void or voidable because any such director or officers is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists.

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board of Directors authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the members of the Association (by percentage), and the members approve or ratify the contract or transaction in good faith by a vote sufficient

for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved, or executed.

Any common or interested directors or officers may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if such director or officer were not such director or officer of the Association or not so interested.

8.07 Inconsistencies. In the event these Bylaws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

8.08 Resignation. Any director/officer may resign by giving written notice to the President or the Secretary. Such resignation shall take effect at the time specified therein, or immediately if no time is specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.09 Invalid Provisions. If any part of these Bylaws shall be invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall be valid and operative.

8.10 Amendment of Bylaws. These Bylaws may not be altered, amended, or repealed except by the affirmative vote of sixty-seven percent (67%) of the members (by percentage) of the Association.

8.11 Table of Contents, Heading. The table of contents and heading used in these bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

Bylaws adopted this 2nd day of March, 1999.



Secretary