

SECOND RESTATED BY-LAWS
MEMORIAL NORTHWEST HOMEOWNERS ASSOCIATION

(EFFECTIVE: *April 23, 1991*)

ARTICLE I
NAME AND LOCATION

The name of the corporation is Memorial Northwest Homeowners Association, hereinafter referred to as the "Association". The address of the corporation shall be c/o Consolidated Management Services, 12600 Northborough, Suite 154, Houston, Texas 77067 (or such other address as the Board of Directors may in the future determine), but meetings of members and directors may be held at such places within Harris County, Texas, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

SECTION 1. "Association" shall mean and refer to Memorial Northwest Homeowners Association, a Texas non-profit corporation, its successors and assigns.

SECTION 2. "Properties" shall mean and refer to those certain tracts of land situated in Harris County, Texas, and described in the official plats and the Declarations of Covenants, Conditions and Restrictions for Memorial Northwest Subdivision, Sections One (1) through Seventeen (17), Section Nineteen (19), Section Twenty (20), Section Twenty-One (21) and Section Twenty-Four (24), as well as a tract of 17.0289 acres subdivided into sixteen (16) lots (filed of record in the Deed Records of Harris County, Texas under County Clerk's File No. F285181), as the same appear on the effective date hereof in the Deed Records in the office of the County Clerk of Harris County, Texas, to which reference is here made for all purposes, which sections are currently annexed into and accepted by the Association and are within its jurisdiction. Memorial Northwest, Section Eighteen (18), Twenty-Two (22) and Twenty-Three (23), as described in said records, are hereby expressly excluded from the jurisdiction of the "Association" and from the term "Properties" as herein defined. The Association, acting by and through its Board of Directors in their sound discretion, may annex such additional sections of Memorial Northwest Subdivision as they may elect from time to time, but annexation of such additional sections shall require the affirmative vote of two-thirds (2/3) of the Board. The acceptance of the payment of the maintenance fund by any agent of the Board shall be not construed as acceptance of any tract into the jurisdiction of this Association.

SECTION 3. "Common area" shall mean all real property owned by the Association, or real property owned by Harris County or the City of Houston and maintained by the Association at its discretion (and with the owner's consent), if any, for the common use and enjoyment of the Owners.

SECTION 4. "Lot" shall mean and refer to any plot of land shown upon any recorded Subdivision plat of the Properties with the exception of the common area, if any, and commercial reserve tracts, if any.

SECTION 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties subject to a maintenance charge assessment by the Association, including contract purchasers, but excluding those having such interest merely as a security for the performance of an obligation.

SECTION 6. "Declaration" shall mean and refer to the restrictions for the various sections of Memorial Northwest Subdivision, a Subdivision in Harris County, Texas, which Sections are currently within the jurisdiction of the Association, per the maps or plats thereof, as well as the restrictions for any additional Sections which are hereafter brought within the Association's jurisdiction.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and these By-Laws. Any individual who is an owner (as defined in Section 5) of a Lot (as defined in Section 4) and who actually resides thereon is eligible for membership. Any eligible person, and that person's spouse, if any, is a member upon paying his or her dues in addition to the mandatory annual assessments required by the respective Declaration and any other charges imposed or levied by the Association as provided by these By-Laws. A member is suspended if he has not paid the requisite amounts through the current year, with the result that he is not entitled to any of the rights, powers or privileges of membership, such as voting or speaking at meetings. Suspensions shall last until the member shall have paid the sums due.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. Regular Meetings. Regular meetings of the membership shall be held at least three (3) times per year at a date and time and at the place established by the Board of Directors. Additional regular meetings of the membership may be scheduled by the Board of Directors if such meetings are deemed necessary.

SECTION 2. Special Meetings. Special meetings of the members may be called at any time by the President, by at least three (3) members of the Board of Directors or upon written request of at least ten percent (10%) of the membership. Not less than ten (10) nor more than fifty (50) days written notice, either personally or by mail, of a special meeting is required, which notice shall specify the purpose of such a meeting.

SECTION 3. Quorum. The presence at the meeting of at least

thirty (30) members entitled to cast votes as provided herein shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-laws. If, however, such quorum shall not be present at any 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 shall be present or represented.

SECTION 4. Attendance in Person. No person may vote or represent by proxy, power of attorney or otherwise, an eligible member of this Association at any meeting of the members.

SECTION 5. Voting. Cumulative voting shall not be allowed.

ARTICLE IV BOARD OF DIRECTORS

SECTION 1. Board of Directors. The affairs of this Association shall be managed by a Board of Directors, all of whom must be members of the Association. The Board of Directors shall consist of Directors who also serve as officers (the President, the First Vice-President, the Second Vice-President (security), the Third Vice-President (deed restrictions/architectural control), the Treasurer and the Secretary who are elected at-large, as well as Area Directors, the number of which Area Directors shall be established by the Board from time to time but shall always exceed in number the then number of officers by at least one.

SECTION 2. Terms of Office. The President, the First Vice-President and the Second Vice-President and those Area Directors who represent even numbered Areas shall be elected to serve terms commencing in even numbered years. The Third Vice-President, the Treasurer and the Secretary, as well as those Area Directors representing odd numbered Areas, shall be elected to serve terms commencing in odd numbered years. The Board may, by a three-fourths (3/4) majority vote, change (increase or decrease) the number of Area Directors or consolidate or change the duties of officers, subject to the limitations set forth elsewhere in these By-Laws. Newly created Board positions must be filled by a vote of the members of the Association. All terms of office shall be for a period of two (2) years commencing on January 1st of the following year. Each Director elected shall serve until his successor shall have been duly elected and qualified.

Should the Board determine to increase or decrease the number of Area Directors, new boundaries for each Area shall be established by the Board. Each Area shall contain essentially the same number of lots with a tolerance of no more than ten percent (10%). No revision shall be made that would remove an existing Area Director from his/her Area at any time during such person's term of office. Reductions in number, if any, shall be accomplished by attrition and/or no new nominations when an

incumbent's term expires and the incumbent does not elect to seek re-election.

SECTION 3. Nomination(s) and Election(s). The president shall appoint a Nominating Committee composed of five (5) members, two (2) of whom may not be on the Board of Directors. Any member desiring nomination may file his name in nomination with the Chairman of the Nominating Committee not less than seven (7) days prior to the September general meeting. The Nominating Committee shall present, at the September general meeting, at least one nomination for each Area Director and at-large Director/Officer position to be filled in the election to be held at the October general meeting as provided in Section 2 of Article IV hereof, presenting as part of its report nominations by those desiring nomination and filing as above provided. A member of the Nominating Committee may not be nominated by that Committee.

Nominations for any office shall be opened by the presiding officer at the September general meeting to receive nominations from the floor during the normal course of business for a reasonable period which period shall be terminated on appropriate motion that the nominations be closed, duly seconded and approved by majority vote of those present at such meeting. Any persons nominating another shall certify to the willingness of such person to serve if elected; however, if such person is present at the meeting, such person shall stand and voice his/her willingness or unwillingness to serve. The name of any person unwilling to serve shall be removed from nomination.

The President shall designate a committee consisting of three current directors, whose positions are not up for election, together with three non-board members, as the Election Committee to handle absentee balloting, the polls for which shall open two (2) weeks prior to the October general meeting and shall close at 5:00 p.m. on the day before the October meeting. The Election Committee shall further be responsible for preparing the appropriate ballots, for verifying that all persons voting are qualified members eligible to vote, for conducting the voting at the October General Meeting and for counting and verifying the results of the balloting.

The election shall be held by secret written ballot at the October general meeting of the membership. The election results shall be announced, including the number of ballots cast for each candidate. The candidate receiving the highest number of ballots is elected. In the event of a tie vote for any office, a runoff shall be held. The runoff shall be conducted by mail and shall be physically handled by the Association's contract management company (subject to supervision by the election committee) in the following manner:

The management company shall mail within five (5) days following the October general meeting a written ballot to each party who actually voted in the general

election, whether in person or absentee, who was then eligible to vote in the specific race in which a runoff is required. The ballots shall be numbered and marked in such a way as to prevent duplication and the management company shall maintain a confidential list to enable it to positively identify each ballot and to whom it was mailed in the event a dispute arises as to the validity thereof. All ballots shall be returned to the management company in person or by mail and must be received in the management company office no later than the second Monday of November of that year. The ballots shall be counted by a representative of the management company and the members of the election committee at the November board meeting and they shall certify in writing the results. The party receiving the highest number of votes for the specific office in the runoff shall be deemed elected. The management company shall show the confidential identification list to no one, including officers of the Association, and shall use it only to assist it in the event of disputes as to the validity of a ballot or ballots. If no disputes arise, the list shall be destroyed within ninety (90) days following the runoff. If a dispute arises which the management company can not satisfactorily resolve, the list shall be turned over to the Association attorney for such use as he may deem appropriate.

Cumulative voting shall not be permitted under any circumstances.

All qualified members may vote in any election of at-large Directors (officers); however, only those members residing in the designated geographic Area to be represented by the specific Area Director may vote in the election for that particular Director.

SECTION 4. Removal. Any officer or director may be removed from the Board, with or without cause, by a unanimous vote of all other members of the Board of Directors or by a three-fourths (3/4) vote of the members present at a membership meeting expressly called for that purpose. Any Area Directorship or at-large Directorship (Office) may be declared vacant by a vote of the Board of Directors in the event that any Area Director or at-large Director/Officer dies, resigns or becomes disqualified under any provisions of the law or these By-laws.

Each of the following shall constitute cause for removal of any person from the Board of Directors:

(a) Failure of any member of the Board to pay the annual maintenance charge (as well as dues or charges levied by the Board as herein provided) assessed against the lot or lots on which his residence is situated prior to such charge becoming delinquent;

(b) The willful violation by any member of the Board of any provision of the Articles of Incorporation or By-laws of this Association;

(c) The willful commission of any unlawful act in connection with any of the functions or activities or business of the Board of Directors of the Association; or

(d) The failure to attend three (3) consecutive regular meetings of the Board of Directors.

Notwithstanding any of the foregoing, any member of the Board of Directors who is convicted of a felony offense by a court of competent jurisdiction shall thereby be automatically removed from the Board.

SECTION 5. Vacancies. In the event of death, resignation or removal of an officer or director, his successor shall be appointed by the President, subject to the approval of a majority of the members of the Board of Directors present at the meeting and shall serve for the unexpired term of his predecessor.

SECTION 6. Compensation. No director shall receive compensation for any service he/she may render to or on behalf of the Association; provided, however, that any director may be reimbursed for his actual expenses incurred in the performance of his duties, including, but not limited to, reasonable mileage for personal car use.

SECTION 7. Subject to the rules of parliamentary procedure provided in these By-Laws, each member of the Board of Directors shall be empowered to participate in discussion, initiate action and vote on any question properly presented to the Board for its determination. When acting as a member of the Board of Directors, each person shall place the interests of the Association and its members before his individual interests or the interests of any other group or association of persons. In the event any member of the Board of Directors has any individual interests which may be in conflict with the interests of the Association, he shall immediately make such fact known to the Board with respect to such matters. In the event the individual interests of any member of the Board conflict and continue to conflict with the interests of the Association over an extended period of time and in such a manner as to directly or indirectly affect a substantial amount of business of the Board, such member shall be disqualified from acting on the Board and may be removed in the manner provided in the preceding sections hereof.

ARTICLE V. MEETINGS OF DIRECTORS

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least ten (10) times per annum, at such place and hour as may be fixed from time to time by resolution of the Board.

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 (2) officers and/or directors, after 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. No person may vote or represent by proxy, power of attorney or otherwise, a member of the Board of Directors at a meeting of directors. The term "Directors", except when otherwise specifically indicated, when used in these By-laws means both Area Directors and at-large Directors/Officers of the Association.

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) Adopt and publish rules and regulations governing the use of the common area.

(b) Voting rights and speaking rights of any member of the Association may be suspended by majority vote of those directors in attendance at a regular meeting of the Board after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

(d) Employ a manager, an independent contractor, or such other employees as it deems necessary and prescribe their duties and terms of employment; and

(e) exercise such other rights and powers granted to it under the Declaration, its Articles of Incorporation and these By-laws.

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

(a) Cause to be kept a complete record, i.e., minutes of all of its acts and corporate affairs and to present a financial statement to the members at the February general meeting of the members or at any other meeting when such statement is requested in writing by one fourth (1/4) of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association and see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof; and

(2) send written notice of each assessment to every owner subject thereto in advance of each annual assessment period,

(d) Issue or cause an appropriate officer to issue upon demand by any person a statement setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these statements but only the Board, by majority vote at a Board Meeting, may authorize any such charge to be levied. If such statement states that an assessment has been paid, it shall be conclusive evidence of such payment and the Association shall be bound thereby;

(e) Procure and maintain such liability and hazard insurance as it may deem appropriate to cover its activities in maintaining the common grounds, functions which it may sponsor, security operations and Directors' and Officers' liability insurance to cover officers, directors and such other persons or entities as are designated in the policy(s);

(f) Cause any officers or employees having fiscal responsibilities to be bonded as it may deem appropriate; and

(g) Cause the common area, if any, to be maintained.

ARTICLE VII OFFICERS AND THEIR DUTIES

SECTION 1. Enumeration of Officers. The officers of this Association shall be a President, First Vice-President, Second Vice-President (Security), Third Vice-President (Deed Restrictions/Architectural Control), Treasurer and Secretary, which officers shall at all times be members of the Board of Directors.

SECTION 2. Authority to sign checks. All checks shall be signed by two (2) duly authorized parties. The President, the First Vice-President and the Treasurer are specifically authorized to sign checks on behalf of the Association. The Board, in its sole discretion, may authorize one or more additional Board Members to sign checks as needed.

SECTION 3. Multiple Offices. No person shall simultaneously hold two offices, with two (2) exceptions. First, the Board may, in its sole discretion, combine the office of Secretary with that of Treasurer. Additionally, the office of First Vice-President may be combined with any office other than President or

Treasurer. No new officers may be created other than those enumerated in Section 1 of this Article except those which are expressly approved by a majority of a quorum of the membership in attendance at a general meeting.

SECTION 4. Duties. the duties of the officers of the Association are as follows:

PRESIDENT

(a) The President shall preside over all meetings of the Board of Directors and all meetings of the membership, deciding all questions of procedure and order and insuring that all regular and special meetings of the members and of the Board of Directors are called in accordance with the provisions of the By-laws and are duly held.

(b) The President shall sign all approved official documents of the Association and represent the Association in the outer community.

(c) The President shall formulate goals and plans for the year and present them to the Board of Directors or the membership, as appropriate, for approval.

(d) The President shall execute all orders, resolutions and motions of the Board of Directors and/or the membership.

(e) The President shall appoint all Committee chairpersons and, if appropriate, all members of the committee, subject to the approval of the Board of Directors.

(f) The President shall serve as ex-officio member of all committees.

(g) The President shall be responsible for seeing that all officers and directors of the Association respond to and properly perform any and all duties of their respective offices and positions as specified in the By-laws or which may be necessary in order to carry out the business and affairs of the Association.

(h) The President shall have the responsibility of preserving and overseeing the books, records and files of the Association and shall make certain that all books, records and files are properly maintained.

FIRST VICE-PRESIDENT

(a) The First 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 of Directors.

(b) The First Vice-President, subject to the Board of Directors' discretion, shall be responsible for overseeing the maintenance fund, the trash fund and the general fund, the financial books of the Association, the assembly of the budget as it may be approved by the Board of Directors and the proper expenditure of the funds in accordance with the budget as approved and/or amended.

(c) The First Vice-President shall be responsible for obtaining any and all necessary insurance coverage as authorized by these By-laws and approved by the Board of Directors and shall further be responsible for reviewing all contracts with outside parties to ascertain that they are in order as to insurance coverage, costs to the Association and that the other terms and provisions thereof appear to the best of his knowledge to be in the best interest of the Association.

(d) The First Vice-President shall be responsible for filing the necessary tax forms on behalf of the Association.

The First Vice-President shall, subject to the approval of the Board, be responsible for the hiring of an appropriate auditor to audit the books and records of the Association on an annual basis and to determine the adequacy of any such audit.

SECOND VICE-PRESIDENT (SECURITY)

(a) The Second Vice-President shall be responsible for security functions within the boundaries of the Subdivision.

(b) The Second Vice-President shall serve as a manager for matters authorized by the President involving the Association and those entities with which the Association may have security contracts. Personnel changes, contract changes and increases in expenditures shall be brought before the Board for approval and, where practical, shall be submitted to the First Vice-President prior to submission to the Board so that he may review their impact and make recommendations to the Board as to its course of action. The President may give interim approval for additional expenditures in emergency situations and shall fully advise the Board of Directors at its next meeting.

(c) The Second Vice-President shall furnish the Board with monthly reports, particularly statistical, to enable it to intelligently evaluate the program.

THIRD VICE-PRESIDENT (DEED RESTRICTIONS/ARCHITECTURAL CONTROL)

(a) The Third Vice-President shall serve as Deed Restriction Chairperson and shall be responsible for the enforcement of the deed restrictions;

(b) The Third Vice-President shall serve as Chairperson of the Architectural Control Committee, which committee shall consist

of a minimum of three (3) persons including the Third-Vice President and shall be appointed as provided elsewhere in these By-laws for committee appointments; and

(c) The Third Vice-President, in conjunction with the respective Area Director, shall be responsible for ascertaining that all residences and buildings, including fences, not only comply with the pertinent deed restrictions but that they are maintained in appearance and condition consistent with generally accepted standards for the Subdivision and subdivisions of like caliber.

SECRETARY

(a) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members and submit all minutes at subsequent meetings for approval.

TREASURER

(a) The Treasurer shall maintain the records of financial accounts of the Association;

(b) The Treasurer shall deposit receipts and disburse expenses of the Association as directed by the Board of Directors and, in cooperation with the First Vice-President, shall keep funds not required to be available for near term expenditures to be invested in federally insured accounts to give the Association a reasonable rate of return thereon;

(c) The Treasurer shall keep appropriate current records showing the members of the Association together with their addresses;

(d) The Treasurer shall maintain a record of physical assets of the Association that are currently in use;

(e) The Treasurer shall maintain a depository for physical assets when not in use;

(f) The Treasurer shall prepare legal returns required by taxing authorities;

(g) The Treasurer shall, at monthly Board meetings, report to the Board the current financial status of the Association;

(h) The Treasurer shall, with reasonable notice, make available for inspection by members of the Association during normal business hours all books and records relating to fiscal affairs; and

(i) The Treasurer shall prepare, along with the First Vice-President, an annual budget and a statement of income and expenditures to be presented to the membership at its initial regular general meeting for the calendar year and make same

available to each member of the Association desiring a copy.

ARTICLE VIII
AREAS, AREA DIRECTORS AND THEIR DUTIES

SECTION 1. Pursuant to the terms of the original By-laws of this Association, as amended, the Properties have been subdivided from time to time by the Board of Directors into "Areas" numbered sequentially from one up, with the numbering and geographic configuration of individual Areas changing from time to time as the Board has redesigned and reconfigured areas. The Board shall always maintain the number of areas to exceed the number of at-large Directors/Officers of the Association by a minimum of one (1) and each such Area shall contain only contiguous lots in a reasonably compact form and the Areas shall contain essentially the same number of Lots with a tolerance of no more than ten percent (10%). This Section is expressly subject to the provisions of Article IV, Section 2. The number of Areas may be reduced below the minimum number herein specified only if done in accordance with Article IV, Section 2 hereof.

SECTION 2. Each respective Area shall be entitled to have an Area Director who shall be the representative of such Area on the Board of Directors and whose duties shall be as follows:

(a) To monitor the respective Area so as to be aware of the specific concerns and needs of that Area and its residents and see that such needs are duly communicated to the Board of Directors for consideration and appropriate action so that all Areas are treated equally by the Board and receive effective services from the Association as contemplated by these By-laws;

(b) To monitor the respective Area to be certain that the residents maintain their property, both grounds and buildings, in compliance with the Declarations and these By-laws and any appropriate rules and regulations promulgated by the Board, attempt to secure compliance when feasible and otherwise to report to the Board those violations or problems which can only be handled by an appropriate Officer or by the Board for further action;

(c) To monitor the Area to be certain that the residents do not otherwise violate the Declarations, these By-laws or any pertinent rules and regulations this Board may promulgate;

(d) To maintain a working relationship with the residents of the Area so as to be aware of any mitigating circumstances which might explain a violation so that the Board does not act or appear to act harshly or unreasonably under the particular circumstances; and

(e) to work with the rest of the Board to see that the purposes of these by-laws and this Association are carried out and the quality of life in the Subdivision is enhanced.

ARTICLE IX COMMITTEES

The Deed Restriction Committee, the Architectural Control Committee, the Nominating Committee and the Election Committee shall be formed as provided in these By-laws. In addition, the President shall establish other committees deemed appropriate to carry out the purposes of this Association.

ARTICLE X INDEMNIFICATION OF DIRECTORS AND OFFICERS

Pursuant to Section 2.22A of the Texas Non-Profit Corporation Act, and subject to the provisions thereof, the Corporation shall indemnify any director and/or officer (or former ones) for expenses and costs, including attorney's fees, which are actually and necessarily incurred in connection with any proceeding or claim asserted by reason of being or having been a director or officer, but only if it is determined by the Board that the person's actions were conducted in good faith and were reasonably believed to be in the Corporation's best interest relative to conduct in an official capacity and that, in all other cases, the conduct was at least not opposed to the Corporation's best interest. In regard to criminal proceedings, the Corporation must find that there was no reasonable cause to believe the conduct was unlawful. As provided elsewhere in these By-laws, the Board may carry such Directors' and Officers' liability insurance as it deems appropriate to carry out the provisions of this Article X.

ARTICLE XI ASSESSMENTS

As more fully described in the Declaration, each member is obligated to pay to the Association annual 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. 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 a rate affixed by the Board, 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 for any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape the liability for the assessments provided for herein by nonuse of the common area, if any, or services provided by the Association or by abandonment of his Lot.

In addition to the assessments provided in the Declaration, the Board may assess additional dues and/or charges over and above those provided in the Declaration in order to raise funds to carry out the purposes of the Association. However, additional dues or charges shall not be valid unless and until approved by a two-thirds (2/3) vote of a quorum of the

membership at a general meeting after publication at least three (3) days prior to such meeting prominently in the Subdivision newsletter that such will be voted on at the meeting. The dues and/or charges shall be handled in the same manner as stipulated in the preceding paragraph of this Section XI but shall constitute a lien on the individual lots only to the extent permitted by Texas law and the Declaration.

ARTICLE XII 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 Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at a convenient location to be designated by the Board of Directors, where copies may be purchased at reasonable cost.

ARTICLE XIII

SECTION 1. Amendment. These By-laws may be amended, at a regular or special meeting of the members, by a vote of two-thirds of a quorum of members present in person. However, all proposed amendments shall be submitted to the Board in writing for their review and approval and, if necessary, for review and revision. Any amendment approved by a simple majority of a quorum at a Board Meeting shall thereafter be submitted to the general membership for approval as outlined above. If practical, the full text shall be printed in the Association newsletter published immediately prior to any membership meeting that is to consider such an amendment and, if not practical to so print, copies shall be made available to the membership on request through all Board Members. In any event, notice of the meeting shall be given in the newsletter published prior to the meeting and shall set forth the fact that amending the by-laws will be part of the business of such meeting, giving a reasonably brief synopsis of the proposed amendment(s). The Board's disapproval of any amendment may only be overridden by a written petition signed by at least thirty (30) members in good standing of the Association requesting that such amendment be presented to the membership for approval.


SECTION 2. Conflict. In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control and in the event of any conflict between the Declaration and these By-laws, the Declaration shall control.


ARTICLE XIX MISCELLANEOUS

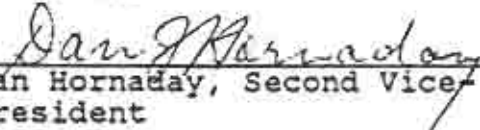
The fiscal year of the Association shall begin on the first


day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being all the directors and officers of the Memorial Northwest Homeowners Association, have hereunto set our hands this 20 day of MAY, 1991.



Jack C. Searcy, Jr., President

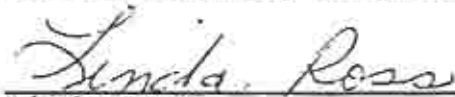

James Smith, First Vice-President



Dan Hornaday, Second Vice-President



Eleanor Naremore, Third Vice-President

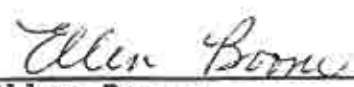

Warren Tate, Treasurer



Sharon Connors, Secretary


Linda Ross


Robert Young


Presley Dejarnett


Ellen Boone


George Vick

Don W. Frazier
Don Frazier

Wanda Burchfield
Wanda Burchfield

Sal Gatto
Sal Gatto

James Fletcher
James Fletcher

Jaclanel McFarland
Jaclanel McFarland

Tom Livengood
Tom Livengood

CERTIFICATION

I, the undersigned do hereby certify:

THAT I am the duly elected and acting secretary for the Memorial Northwest Homeowners Association, a Texas Non-Profit Corporation, and,

THAT the foregoing By-laws constitute the Second Restated By-laws of said Association, as fully adopted at a duly called meeting of the membership, held on the 23 day of April, 1991.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20 day of May, 1991.

Sharon Connors
Secretary
Printed name:
Sharon Connors