

BYLAWS
OF
PEBBLE CREEK PATIO HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
Name and Location

The name of the Corporation is PEBBLE CREEK PATIO HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Community Association". The principal office of the Community Association shall be located at 4500 Pebble Creek Parkway, College Station, Texas 77845, but meetings of members and directors 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

Section 1. "Community Association" shall mean and refer to Pebble Creek Patio Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property or properties described in the Supplemental Declaration of Covenants and Restrictions for Phase Four, Section A of Pebble Creek Subdivision (Patio Home Section) as per the plat recorded in Volume 2306, Page 2, Official Records of Brazos County, Texas, and any additional properties which may hereinafter be brought within the jurisdiction of the Community Association by supplemental declarations, amendments or supplements thereto.

Section 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Community Association as is more fully specified in the Supplemental Declaration.

Section 4. "Owner" shall mean and refer to the record owner whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties subject to a maintenance charge assessment by the Community Association including contract sellers, but excluding those having such interest merely as security for the performance of any obligations.

Section 5. "Declaration" shall mean and refer to the Declaration of Easements, Covenants and Restrictions for Pebble Creek Development, a subdivision in College Station, Brazos County, Texas, and for additional contemplated sections of the same Pebble Creek Subdivision made subject to such easements, covenants, and declarations by Declarant. The Declaration is of record in Volume 1225, Page 001, Official Records of Brazos County, Texas, together with any amendments thereto.

Section 6. "Developer" shall mean and refer to Pebble Creek Development Corporation or its successors and assigns.

Section 7. "Supplemental Declaration" shall mean and refer to the Supplemental Easements, Covenants and Restrictions for Pebble Creek Subdivision Phase Four, Section A (Patio Home Section) filed of record in Volume 2306, Page 2, Official Records of Brazos County, Texas.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Supplemental Declaration of Easements, Restrictions and Covenants of Phase Four, Section A Pebble Creek Development (Patio Home Section) as recorded in the Official Records of Brazos County, Texas, together with any other persons brought under the Supplemental Declaration.

ARTICLE III Meeting of Members

Section 1. Annual Meeting. The regular annual meeting of the members of the Community Association shall be held on the first Saturday in May of each year beginning May, 1997, at 10:00 o'clock a.m. (10:00) at the principal office of the Community Association or at such places within the State of Texas, County of Brazos, as may be designated by the Board of Directors. 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.

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

Section 3. Notice of Meetings. Written notice of each annual or special meeting of the 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 ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Community Association, or supplied by such member to the Community Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, three-tenths (3/10) of the votes without regard to classes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, 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. If a quorum is present, the affirmative vote of a

majority of the votes represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number or voting by classes is required by the Articles of Incorporation, the Supplemental Declaration, the Declaration or these Bylaws. In calculating if a quorum is present and calculating the number of votes each member is entitled to cast shall be calculated in accordance with the Declaration and/or Supplemental Declaration.

Section 5. Proxies. At all meetings of members, each member entitled to vote may vote in person or by proxy executed in writing designating his duly authorized attorney in fact. All proxies shall be in writing and filed with the Secretary before or at the time of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 6. Action Taken Without a Meeting. The members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the members. Any actions so approved shall have the same effect as though taken at a meeting of the members.

ARTICLE IV Board of Directors

Section 1. Board of Directors. The affairs of the Community Association shall be managed by the Board of Directors and composed of not less than three (3) nor more than seven (7) members who need not be members of the Community Association. The Board of Directors shall be elected by the members in accordance with the Supplemental Declaration.

Section 2. Term of Office. The initial directors for the Community Association set forth in the Articles of Incorporation shall hold office until the first annual meeting. The directors shall continue to serve until their successors are duly elected and qualified.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Community Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. In the event any director shall be absent from three (3) consecutive regular meetings of the Board of Directors, he may be removed from the Board.

Section 4. Vacancies. Any director may resign at any time by giving written notice to the President or Secretary of the Community Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein the acceptance of such resignation shall not be necessary to be effective. Any vacancy occurring in the Board of Directors may be

filled by the affirmative vote of a majority of the remaining directors though less than a quorum. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office or by an election at the annual meeting or at a special meeting of members called for that purpose.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Community Association; provided, however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V Meetings of Directors

Section 1. Regular Meeting. Regular meetings of the Board of Directors shall be held quarterly without notice at such place and hour as may be fixed from time to time by resolution of the 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 Community Association or by any director after not less than three (3) 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 shall constitute a quorum for the transaction of business, but if less than such majority is present at a meeting a majority of the directors present may adjourn the meeting from time to time without further notice. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Presumption to Assent. A director of the Community Association who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered into the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Community Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 5. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the 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 directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.

ARTICLE VI
Powers and Duties of the Board of Directors

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

(a) suspend the voting rights and right to the use of any facilities or services provided by the Community Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Community Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(b) exercise for the Community Association all powers, duties and authority vested in or delegated to this Community Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, the Supplemental Declaration or the Declaration;

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(d) 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;

(e) exercise such other rights and powers granted to this Community Association and not reserved to the membership by the Supplemental Declaration, the Articles of Incorporation of the Community Association or other provisions of these Bylaws.

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is required in writing by three-tenths (3/10) of the Class A members who are entitled to vote or the Class B members;

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

(c) fix the amount of the annual assessment against properties subject to the restrictions contained in the Supplemental Declaration subject to the jurisdiction of the Community Association and to take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board or its agent for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

(f) cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VII Officers and Their Duties

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

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

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Community Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine. In all cases where the duties of any officer are not prescribed by the Bylaws or by the Board, such officer shall follow the order and instructions of the President.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified herein, the

acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. Multiple Offices. No person shall simultaneously hold both the offices of president and secretary.

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

(a) President. The President shall preside at all meetings of the Board of Directors and of the Community Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes.

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

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

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Community Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Community Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Community Association and make the same available for inspection by members of the Community Association during normal business hours.

ARTICLE VIII Committees

The Board of Directors may appoint any committees as deemed appropriate in carrying out the purposes of the Community Association.

ARTICLE IX

Books and Records

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

ARTICLE X

Assessments

As more fully provided in the Supplemental Declaration, each member is obligated to pay to the Community 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. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Community Association or by abandonment of his lot.

ARTICLE XI

Amendments

Section 1. Amendment. These Bylaws may be altered, amended or repealed by the Board or 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. The quorum shall be determined upon votes present, not members using the voting formula established in the Supplemental Declaration.

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, the Supplemental Declaration and these Bylaws, the Declaration and Supplemental Declaration shall control.

ARTICLE XII

Miscellaneous

Section 1. Waiver of Notice. Whenever notice is required by law, by the Articles of Incorporation, or by these Bylaws, waiver thereof in writing signed by the director, member or other person entitled to said notice, whether before or after the time stated therein, or his appearance at such meeting in person or (in the case of a member's meeting) by proxy, shall be equivalent to such notice. The presence of a director, member or other person at any meeting shall constitute a waiver of notice of such meeting except where such person attends such meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 2. Fiscal Year. The fiscal year of the Community 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.

Section 3. Use of Funds. No part of the net earnings of the Community Association shall inure to the benefit or be distributable to its members, directors or officers, except that the Community Association shall be authorized and have the power to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in its Articles of Incorporation.

IN WITNESS WHEREOF, We, being all of the Directors of Pebble Creek Patio Homeowners Association, Inc., have hereunto set out hands effective the 7th day of January, 1996.

F. M. YOUNG

MOLLY YOUNG

DAVIS YOUNG