

BY-LAWS
OF
CRANBROOK PROPERTY OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is Cranbrook Property Owners Association, and its principal office shall be located at 340 Mellie Esperson Building, Houston, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Cranbrook Property Owners Association, a Texas non-profit corporation, and to any non-profit corporation which succeeds to all or substantially all of its assets by any merger, consolidation or conveyance of assets.

Section 2. "Community Properties" shall mean and refer to any properties, real or personal, now owned or hereafter acquired by the Association.

Section 3. "Declaration" shall mean and refer to the Declaration of Kristland Corp. recorded in the Official Public Records of Real Property of Harris County, Texas, under Film Code No. 005-99-0244 and under the Harris County Clerk's File No. H311531, as the same may be amended from time to time.

Section 4. "Developer" shall mean and refer to Krisland Corp., a Texas corporation, and to any corporation which succeeds to all or substantially all of its assets by any merger, consolidation or conveyance of assets.

Section 5. The terms "Lot", "Assessable Lot", "Fully Assessed Lot", "Owner" and "Architectural Control Committee" shall have the same meanings herein as in the Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership The Owner of each Fully Assessed Lot, during the period of his ownership, shall automatically be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Fully Assessed Lot. Developer, whether or not it is the Owner of a Fully Assessed Lot, shall also be a Member of the Association until its membership terminates pursuant to the provisions of Section 5.2 below.

Section 2. Voting Rights. The Association shall have the following class or classes of voting membership with the following rights:

CLASS A: The Owners of the Fully Assessed Lots shall be the Class A Members, and by virtue of such membership, the Owner of each Fully Assessed Lot shall be entitled to one vote in the Association. There shall be no fractional votes. When the Owner of a Fully Assessed Lot consists of more than one person or entity, they shall designate one

of their number to cast their one vote with respect to each Fully Assessed Lot.

CLASS B: Developer shall be the sole Class B Member, and by virtue of such membership, shall be entitled to three (3) votes in the Association for each Lot owned by Developer. The Class B membership shall terminate at Midnight on December 31, 1986, or when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, whichever occurs earlier.

ARTICLE IV

MEETING OF MEMBERS

SECTION 1. Annual Meetings. The first annual meeting of Members shall be held within one year after the date of incorporation of the Association, and each subsequent regular annual meeting of Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock P.M. If the day for the annual meeting of 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 Members may be called at any time by the President, or by the Board of Directors, or by Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or the

person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than 30 days or more than 60 days in advance of such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and the purpose(s).

Section 4. Quorum. Except as otherwise required by law or otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws, (i) the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, a majority of the votes of each class of membership with voting privileges shall constitute a quorum for any action, and (ii) if such quorum shall not be present or represented 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 as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically terminate if the party who signed the proxy ceases to be a Member.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of

the Association. Initially the three Directors named in the Association's Articles of Incorporation shall serve as the Board of Directors. At the first annual meeting of Members two additional Directors shall be elected and hereafter the Board shall consist of five Directors.

Section 2. Term of Office. Each Director shall hold office until the annual meeting of Members which is held in the second calendar year after his election, and until his successor shall have been elected and shall have qualified. It is the intent hereof that following each annual meeting of Members the Board shall consist of the Directors elected to the Board at the preceding annual meeting of Members plus the two or three Directors elected at the current meeting to bring the membership to five Directors.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of each class of membership with voting privileges. In the event of the 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.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association in such capacity. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. 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 signed written approval of all the Directors. Any action so approved shall have the same effect as through taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nominations for election to the Board of Directors shall be made at the annual meeting of Members.

Section 2. Election. The persons receiving a majority vote of each class of membership with voting privileges, at an annual meeting of Members or an adjournment thereof, at which a quorum is present, shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such times and places as may be determined from time to time by the Board. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors fixed by these By-Laws 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.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Community Properties, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the right of a Member to use the recreational facilities of the Association during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such right may also be suspended for a period not to exceed 60 days for infraction of published rules and regulations;

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

(d) employ one or more architects, engineers, attorneys or other consultants to assist the Board of Directors and/or the Architectural Control Committee in carrying out their respective duties.

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

(a) cause to be kept a complete record of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of Members, or at any special meeting of Members if such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

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

(c) as more fully provided in the Declaration:

(1) fix the amount of the annual assessment against each Assessable Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to each Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid and/or bring an action at law against the Owner personally obligated to pay the same;

(d) furnish to any Owner, upon demand and for a reasonable charge, a certificate in writing signed by an officer of the Association setting forth whether or not there are any unpaid assessments against said Owner's Lot. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid, as to any third party who in good faith relies thereon to his economic detriment;

(e) procure and maintain adequate liability and hazard insurance on the Community Properties;

(f) cause any officer or employee having fiscal responsibilities to be bonded, to the extent it may deem appropriate; and

(g) cause the Community Properties to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. No officer need be a Director.

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. Each officer of the Association shall hold office until his successor shall have been duly elected and qualified, or until his death, or until he shall have resigned or shall have been removed by the Board of Directors.

Section 4. 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 therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by the Board. The officer elected to fill such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. One person may hold more than one office, except that the President shall not hold the office of Secretary.

Section 7. Duties. The duties of the officers are as follows:

President

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

Vice-President

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

Secretary

(c) 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 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 Association and their addresses; and perform such other duties as are required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors; shall sign all checks of the Association; shall keep proper books of account; and shall prepare an

annual budget and an annual statement of income and expenditures and deliver a copy of each to each Member present at the regular annual meeting of Members.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint such committees as it deems appropriate to carry out its purposes.

ARTICLE XI

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 and the Articles of Incorporation and By-Laws of the Association, shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each Owner of an Assessable Lot 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 assessment which is not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after it becomes due,

the assessment shall bear interest thereafter at the rate of ten percent (10%) per annum and the Association may bring an action at law against the Owner personally obligated to pay the same and/or an action at law to foreclose the lien against the property, and interest, reasonable expenses of collection, including the cost of preparing and filing the petition, reasonable attorney's fees and costs of suit shall be added to the amount of such assessment. No Owner of an Assessable Lot may waive or otherwise escape liability for said assessments by nonuse of the Community Properties or by failing to live on his lot.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in such form as may be approved from time to time by the Board of Directors.

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a majority vote of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall

control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the day of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of Cranbrook Property Owners Association, have hereunto set our hand this 10th day of September, 1981.

Larry A. Brickland

Larry A. Brickland

Donald W. Suman, Jr.

Donald W. Suman, Jr.

Wm. G. Dwyer

Wm. G. Dwyer