

**FIRST AMENDMENT TO THE BYLAWS
OF McCREARY ESTATES
HOMEOWNERS ASSOCIATION, INC.**

This First Amendment to the Bylaws of McCreary Estates Homeowners Association, Inc. (the "Association") is effective as of the 22nd day of June, 2008, by the Board of Directors of the Association.

WITNESSETH:

WHEREAS, Article XII of the Bylaws of McCreary Estates Homeowners Association, Inc. (the "Bylaws") provides that the Bylaws may be amended or changed at a regular or special meeting of the Board of Directors; and

WHEREAS, on the 22nd day of June, 2008, a monthly meeting of the Board of Directors of the Association (the "Meeting") was held in accordance with the Bylaws of the Association and, at such Meeting, a quorum was present and certain amendments to the Bylaws were proposed to be considered and voted upon; and

WHEREAS, the amendments to the Bylaws, as set forth hereinafter with specificity, were approved by a majority of those Directors of the Association present at the Meeting.

NOW, THEREFORE, the Bylaws of the Association are hereby amended as follows:

(a) Section 4.01 of Article IV of the Bylaws is hereby deleted in its entirety and shall hereafter read as follows:

4.01 Number. The affairs of the Association shall be managed by a Board of Directors consisting of seven (7) directors as selected by the Members from time to time or appointed by the Board, as provided herein. The number

of directors shall not be decreased below three (3) and the number of directors may be increased only by an amendment of these Bylaws. In case of the resignation, death, failure to act, incapacity or refusal to serve of any director, the remaining directors may appoint a substitute director or directors to serve the remainder of the unexpired term.

(b) Section 4.02 of Article IV of the Bylaws is hereby deleted in its entirety and shall hereafter read as follows:

4.02 Term of Office. At the next meeting of the Members after the effective date of this First Amendment to the Bylaws, four (4) new directors shall be elected by the Members or appointed by the Board to fill the vacancies created by the increase in the number of directors serving on the Board. Two of the new directors shall serve until the 2010 annual meeting of the Members and two of the new directors will serve until the 2011 annual meeting of the Members. Which newly elected director serves until the 2010 annual meeting of the Members and which newly elected director serves until the 2011 annual meeting of the Members shall be determined by the Board of Directors. The existing three directors as of the effective date of this First Amendment to the Bylaws will continue to serve the terms for which they were elected. After the initial terms of the new directors expire, each director elected thereafter will serve a term of two (2) years. It is the intent of this First Amendment for three director positions be filled by election or appointment in odd years, four director positions be filled by election or appointment in even years, and that each director serve a term of two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting, except as otherwise provided herein. Notwithstanding anything contained herein to the contrary, should there be a lack of candidates to fill vacant positions on the Board; the remaining members of the Board shall make the necessary appointments to fill the vacant spots. The individual(s)

appointed will serve for the same term(s) as if were elected by the Members. The Board's right to make appointments due to a lack of candidates shall be effective upon the adoption of this First Amendment to the Bylaws. The terms of directors may be changed by amendment to these Bylaws.

EXECUTED to be effective as of the 22nd day of June, 2008.

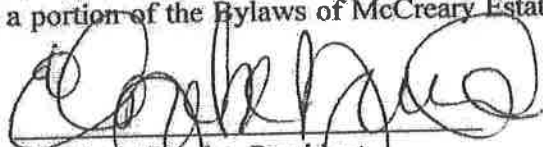
**MCCREARY ESTATES
HOMEOWNERS' ASSOCIATION, INC.**

By: 
Tracy Parman, Treasurer

CERTIFICATION OF AMENDMENT TO BYLAWS

I, Elizabeth Zoucha, the duly elected President of the McCreary Estates Homeowners Association, Inc., hereby certify:

This First Amendment to the Bylaws of the McCreary Estates Homeowners Association, Inc. was approved pursuant to the requirements set forth in Article XII of the Bylaws, at a duly convened monthly meeting of the Board of Directors of the Association held on the 22nd day of June, 2008, and that the same does now constitute a portion of the Bylaws of McCreary Estates Homeowners Association, Inc.


Elizabeth Zoucha, President

**BYLAWS
OF MCCREARY ESTATES
HOMEOWNERS ASSOCIATION, INC.**

The name of the Association is "McCreary Estates Homeowners Associations, Inc." The principal office of the Association shall be located at 8235 Douglas Avenue, Suite 650, LB-65, Dallas, Texas 75225, or such other location as the Board of Directors (herein so called) of the Association may direct from time to time.

**ARTICLE I
PURPOSE**

The Association is a non-profit corporation organized under the laws of the State of Texas for the specific purposes of providing for the common services, maintenance, preservation and architectural control regarding the residential lots, common areas and other facilities pertaining to McCreary Estates, Phase 1, an addition to the City of Wylie, Collin County, Texas, as shown on the Final Plat thereof recorded in Volume N, Pages 20-21 (Instrument No. 2001-0055291), of the Plat Records of Collin County, Texas, together with any additional property later annexed into the McCreary Estates Subdivision, all as more particularly set forth and described in that certain Declaration of Covenants, Conditions and Restrictions for McCreary Estates dated as of May 10, 2001, and recorded under County Clerk's Document Number 2001-0055957, in the Real Property Records of Collin County, Texas (as modified and amended from time to time, the "Declaration"), and to execute and perform all powers, duties and functions as provided in said Declaration, and to enforce the provisions thereof.

**ARTICLE II
DEFINITIONS**

The definitions contained in the Declaration are incorporated herein by reference for all purposes, and all capitalized terms used herein shall have the same meaning as set forth in the Declaration unless and except as otherwise provided herein or defined herein.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN
THE ASSOCIATION**

3.01. Membership. Each and every Owner of a Lot shall automatically be a Member of the Association without necessity of any further action on such Owner's part, subject to the terms of the Declaration, the Articles of Incorporation and these Bylaws of the Association, and the Rules and Regulations (herein so called) from time to time promulgated by the Association. Membership of an Owner in the Association shall be appurtenant to, and may not be separated from, the interest of such Owner in and to the Lot or Lots owned by such Owner. Each Member shall be either a Class A or a Class B Member as provided in the Declaration, and each member's voting rights and other privileges are subject to, and may be regulated or suspend as provided in, the Declaration, the Articles of Incorporation, these Bylaws and/or the Rules and Regulations.

3.02. Transfer. Membership of an Owner in the Association may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of said Owner's interest in all or any part of such Owner's Lot or Lots and then only to the purchaser or assignee as the new Owner thereof. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no force or effect, and will not be reflected upon the books and records of the Association. Each new Owner shall provide the Association with written notice of any transfer of the fee title to a Lot to such new Owner setting forth the name, address, Lot, and the exact name in which title to the Lot in question is held, and, if title is held in more than one name, shall be executed by all record Owners and shall designate the person or persons who are authorized to vote on behalf of such multiple Owners. A copy of the deed(s) or other instrument(s) of conveyance shall also be provided to the Association as provided in the Declaration. Upon receipt of such written notice, the Association will transfer membership to the new Owner thereof upon the books and records of the Association. It shall be the responsibility of each new Owner to provide the notice and such other documentation as provided herein and to assure that the change in membership is so reflected on the books and records of the Association. The Association shall not be obligated to provide any notice to, recognize the vote of, or provide any other function or benefit to, a new Owner unless and until such written notice and such other documentation is provided to the Association.

3.03. Member in Good Standing. Only those Members who are Members in Good Standing in accordance with the Declaration shall be entitled to vote on any Association related matter upon which a vote of the Members is required or permitted.

3.04. Multiple Owner Votes. Votes hereunder may not be cast on a fractional basis between multiple Owners of a Lot. The Association shall not be required to recognize the vote of any such multiple Owners except the vote of the person or persons designated in writing executed by all of such multiple Owners and delivered to the Association as provided in Section 3.02 hereof. The Association shall be entitled to rely on such written designation unless and until a subsequent written designation executed by all such multiple Owners is received by the Association.

3.05. Quorum, Notice and Voting Requirements. Subject to the provisions of the Declaration which specify certain notice, quorum or voting requirements, including, but not limited to, the provisions therein requiring a Special Quorum, and the provisions therein requiring the approval of certain actions by the Class B Member, all other action required or permitted to be taken by the Members shall require the assent of a majority of the votes of a Regular Quorum of Members in Good Standing entitled to vote (both classes voting together), voting either in person or by proxy at a meeting duly called for that purpose, and at which meeting a Regular Quorum is present. Written notice of a meeting of the Members shall be given to all Members not less than fifteen (15) nor more than forty-five (45) days in advance and shall set forth the date, time, location and purpose of such meeting. Such notices shall be sent by the Association to the Members of record on the date one (1) day prior to the date of such notice as shown on the books and records of the Association, and shall be delivered either personally, by facsimile transmission, or by mail, by or at the direction of the President (herein so called), or the Secretary (herein so called), or any other officer or person calling the meeting. In all instances where specific quorum requirements are not provided in the Declaration, Members holding ten percent (10%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the Members present, or represented by proxy at a meeting at which a quorum is present, shall be the act of the Members unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these Bylaws.

3.06. Special Meetings. Special meetings of the Members may be called at any time by majority of a quorum of the Board of Directors or upon receipt by the Board of Directors of a written request for a special meeting signed by Members representing at least thirty-five percent (35%) of the total voting power of the Members in the Association (both classes taken together). Only business within the purpose or purposes described in the notice of special meeting may be conducted at such special meeting. Additionally, such special meeting shall be conducted within forty-five (45) days following the date of receipt by the Board of Directors of the notice of special meeting which meets the requirements of this Section 3.06.

3.07. Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and shall automatically cease upon conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, and in no event shall any proxy remain irrevocable for more than eleven (11) months.

3.08. Action Without Meeting by Written Consent. Any action which may be taken by the vote of the Members at an annual or special meeting, may be taken without a meeting, and without notice or a vote, by written consent of a majority of Members in Good Standing entitled to vote (both classes voting together).

3.09. Action by Written Ballot. The Board of Directors is hereby expressly authorized to distribute with each notice of an annual or special meeting of the Members a written ballot to every Member entitled to vote on the matter or matters which are the subject of such meeting. The ballot shall set forth each proposed action and provide an opportunity for the Member to specify approval or disapproval of each proposal. In addition, such ballot may provide that such Member's vote is to be cast for a given proposal in the manner to be recommended by the Board of Directors. Any such ballot shall constitute a proxy in favor of the Board of Directors and shall be voted by the Board of Directors in accordance therewith. Ballots returned which authorize the vote for one (1) or more proposals to be cast as recommended by the Board of Directors shall be cast, either for or against, as recommended by a majority of a quorum of the directors at a meeting of the Board of Directors which shall be held immediately prior to the scheduled meeting of the Members. Votes cast by ballot as provided herein shall in all respects be treated as votes cast by proxy, including, without limitation, in the determination of the existence of a Regular Quorum or Special Quorum, and shall be cast by the Board of Directors simultaneously with the votes being cast by the Members actually present, in person, or by other proxy, at the meeting. Ballots submitted by Members who are not Members in Good Standing shall not be voted.

3.10. Annual Meetings. Commencing in the year 2003 (or sooner upon the determination of the Class B Member), and in each year thereafter, an annual meeting of the Members shall be held no later than ninety (90) days after the closing of each fiscal year of the Association. The date, time and place of such annual meeting will be set by the Board of Directors, provided that an annual meeting may not take place on a Sunday or on a legal holiday.

3.11. Voting List. After fixing the record date as provided in Section 3.05 herein, the Secretary of the Association shall prepare an alphabetical list of the names of all Members entitled to notice of the meeting and setting forth the address and number of votes each Member is entitled to cast at the meeting. In addition, the list shall include and designate the names and addresses of those Members (if any) entitled to vote at the meeting, but who are not entitled to notice of the meeting. The voting list prepared as provided above shall be prepared not later than two (2) business days after the date of the notice of the meeting, and shall be made available for inspection by any Member entitled to vote at the meeting at the principal place of business of the Association or a reasonable place identified in the notice of the meeting up to and through the meeting. The voting list shall also be available for inspection at the meeting.

ARTICLE IV BOARD OF DIRECTORS

4.01. Number. The affairs of the Association shall be managed by a Board of Directors consisting of three (3) directors as selected by the Members from time to time as provided herein and who need not be Members of the Association. The number of directors shall not be decreased and the number of directors may be increased only by an amendment of these Bylaws. Subject to Section 4.03 hereof, the initial Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting of the Members. In case of the resignation, death, failure to act, incapacity or refusal to serve of any of said initial directors prior to said time, the remaining directors may appoint a substitute director or directors to serve the remainder of said period.

4.02. Term of Office. Except as specifically set forth above in Section 4.01, commencing at the first (1st) annual meeting of the Members, a new Board of Directors (which may include one or more members of the initial Board of Directors) shall be elected at the annual meeting of the Members, two of whom shall hold office for a term of two (2) years and the remainder of whom shall hold office for a term of one (1) year. Thereafter, the term of office for each Director shall be fixed at two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided herein. The terms of directors may be changed by amendment to these Bylaws.

4.03. Resignation; Removal. Any director may resign by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of such notice by the Board of Directors 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. Any director may be removed from the Board of Directors with or without cause, by a majority vote of the Members in Good Standing (both classes voting together) of the Association at a special meeting held for such purpose.

4.04. Vacancies. Vacancies on the Board of Directors shall be filled according to the following provisions:

(a) Vacancies by Death, Failure, Incapacity, Refusal or Resignation. In the event of the death, failure to act, incapacity, refusal to serve or resignation of a director, a successor director shall be elected by a majority of the remaining members of the Board of Directors and shall serve for the unexpired term of such director.

(b) Vacancies by Removal. Vacancies created by removal of a director shall be filled by the vote of a majority vote of Members in Good Standing (with all classes voting together) at a meeting called for such purpose.

(c) Vacancy by Reason of an Increase in the Number of Directors. Subject to Declarant's right to appoint the Board of Directors pursuant to the Declaration and Section 4.01 hereof, any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual or special meeting of the Members called for such purpose and in the manner provided herein for election of directors.

4.05. No Compensation. No director shall receive compensation for any service that any such director may render to the Association. Each director may be reimbursed for actual expenses incurred in the performance of the director's duties.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

5.01. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee (herein so called). Nominations may also be made from the floor at the annual meeting of Members. The Nominating Committee shall consist of a Chairman (herein so called), who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than sixty (60) days prior to each annual meeting of the Members, to serve until the close of such annual meeting of the Members. The Nominating Committee shall solicit and make as many nominations for election to the Board of Directors as it shall determine in its sole and exclusive discretion, but not less than the number of vacancies that are to be filled. Such nominations shall be made on or before the date of notice of the meeting, and may be included on the ballots to be submitted with any such notice as provided in Section 3.09 hereof.

5.02. Election of the Board Directors. The first (1st) election of the Board of Directors shall be conducted at the first (1st) annual meeting of the Members of the Association. All open positions on the Board of Directors shall be filled at such first (1st) annual meeting and at each subsequent annual meeting of the Members. Each Member in Good Standing shall be entitled to cast the total number of votes which such Member is entitled to cast for each vacancy to be filled; cumulative voting shall not be permitted. The nominees receiving the largest number of votes of Members shall be elected to the Board of Directors.

ARTICLE VI MEETINGS OF DIRECTORS

6.01. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board of Directors may establish. The date, place and hour of each such meeting shall be fixed from time to time by resolution of the Board of Directors. Notice of the regular meetings of the Board of Directors need not be given.

6.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two (2) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all directors either personally, by mail or by telefax not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided that notice of the meeting need not be given to directors who have signed a waiver of notice or a written consent to the holding of the meeting. An officer of the Association shall make reasonable efforts to notify all directors of the meeting by telephone.

6.03. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act performed or decision 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 of Directors. Directors present by proxy may not be counted toward a quorum.

6.04. Action Without A Meeting and Telephone Meetings. Notwithstanding anything contained herein to the contrary, the Board of Directors may take action without a meeting if all of its members consent in writing to the action to be taken. Furthermore, members of the Board of Directors may hold duly called meetings between directors by telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 6.04 shall constitute presence in person at the meeting. In addition, the Board of Directors may take action by less than unanimous consent by written consent in lieu of an actual meeting to the extent and in the manner provided in the Articles of Incorporation.

6.05. Deadlock of Directors. In any matter upon which the vote of the directors present is evenly divided, the President shall be given an additional vote with which to break the deadlock of the directors solely on the matters on which the deadlock has occurred.

ARTICLE VII GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

The affairs of the Association shall be conducted by the Board of Directors of the Association. In addition to the powers and duties enumerated in the Declaration, or elsewhere provided herein, the Board of Directors of the Association, for the mutual benefit of the Members of the Association, shall at all times have the power, if, as, and when the Board of Directors, in its sole and exclusive discretion deems necessary, to take any and all such action to enforce the terms and provisions of the Declaration, the Articles of Incorporation and the Bylaws of the Association by appropriate means and to carry out the obligations of the Association as set forth in the Declaration, including, without limitation, the expenditure of funds of the Association, the employment of legal counsel and accounting services, the commencement or defense of legal actions and the promulgation and enforcement of the Rules and Regulations. The Board of Directors may, by resolution passed by a majority of a quorum of the Board of Directors, designate one (1) or more committees comprised of two (2) or more Members to examine specific issues of concern to the Association and to report, and make recommendations, to the Board of Directors pertaining thereto. The Board of Directors may, by adoption of such action in accordance with the provisions of these Bylaws, delegate specific Association management responsibilities to an authorized person or entity; provided, however, such delegation shall not relieve or release the Board of Directors of any duty to oversee, manage or direct the business and affairs of the Association.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

8.01. Officers. The officers of the Association shall be as follows and shall be either Members of the Association or members of the Board of Directors:

- (a) A President, who shall at all times be a member of the Board of Directors;
- (b) A Secretary, who may or may not be a member of the Board of Directors; and
- (c) Such other officers as the Board of Directors may from time to time by resolution create, including, but not limited to, one (1) or more Vice Presidents (herein so called) and a Treasurer (herein so called), each of whom may or may not be members of the Board of Directors.

8.02. Election of Officers. The election of officers shall take place at the first (1st) regular meeting of the Board of Directors following each annual meeting of the Members.

8.03. Terms. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.04. Special Appointments. The Board of Directors may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, having such authority, and perform such duties as the Board of Directors may, from time to time, determine.

8.05. Resignation, Removal and Disqualification. Any officer may be removed from office by the Board of Directors with or without cause. Any officer may resign at any time by giving written notice to the Board of Directors, 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. An officer shall become disqualified to serve if during such officer's term of office, such officer fails to meet the qualifications contained in Section 8.01 hereof.

8.06. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer unless otherwise designated by the Board of Directors.

8.07. Multiple Offices. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

8.08. Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors, and shall see that orders and resolutions of the Board are carried out.

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

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members, serve notice of meetings of the Board of Directors and the Members, keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform other such duties as required from time to time by the Board of Directors.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, and shall coordinate and oversee the maintenance of the Association's financial books and records.

8.09. Execution of Instruments. The President, Vice President, Secretary and Treasurer, subject to the approval of the Board of Directors, may enter into any contract or execute and deliver any instrument in the name and on behalf of the Association. The Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association and such authorization may be general or confined to specific instances.

8.10. No Compensation. No officer shall receive compensation for any service that any such officer may render to the Association. Each officer may be reimbursed for actual expenses incurred in the performance of the officer's duties.

ARTICLE IX FINANCIAL REPORTS

The following financial information for the Association shall be prepared and distributed to each Member on an annual basis:

(a) Budget. An annual budget for each fiscal year shall be distributed to each Member on or before the end of the immediately preceding fiscal year or as soon thereafter as can reasonably be done, and shall include projected expenses for the Association for the ensuing year, and the amount of the Per-Lot Regular Assessment Amount for the ensuing year for each Lot as provided in the Declaration.

(b) Annual Report. An unaudited annual report shall be distributed to each Member on or before the date of the annual meeting of the Members and shall include a balance sheet as of the end of the preceding fiscal year, and an operating and income statement for the preceding fiscal year.

ARTICLE X BOOKS AND RECORDS

The Association shall maintain books of account and current financial records made with respect to all financial transactions of the Association. The Association shall also maintain a membership register and records of the minutes and proceedings of the Board of Directors, the Members, and the Architectural Control Committee or other committees which may be established from time to time. The books, records and accounts of the Association shall, at reasonable times upon reasonable written notice, be subject to inspection by any Member at such Member's sole cost and expense. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, and copies of such documents may be purchased from the Association at a reasonable cost.

ARTICLE XI ASSESSMENTS

Each owner of any Lot, by acceptance of a deed or other conveyance document creating in such owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance document, shall be deemed to covenant and agree to pay the Assessments, Special Member Assessments, Violation Fines and all other assessments and charges as provided in the Declaration, such assessments and charges to be fixed, established and collected from time to time as therein provided.

ARTICLE XII AMENDMENTS

These Bylaws may be amended or changed at a regular or special meeting of the Board of Directors unless the Association Documents or the Texas Non-Profit Corporation Act (the "Act") expressly reserves such power to the Members with respect to a specific matter, or if the Members in amending, repealing, or adopting a particular bylaw expressly provides that the Board may not amend or repeal that particular bylaw. The Articles of Incorporation may be amended from time to time as provided in the Act and the Declaration may be amended in accordance with the provisions thereof.

ARTICLE XIII INDEMNIFICATION AND LIABILITY OF OFFICERS AND DIRECTORS

Section 13.01. Indemnification. The Association shall indemnify any person who is or was a director, officer, agent or employee of the Association in accordance with the following provisions:

- (a) The Association shall indemnify, to the extent provided in the following paragraphs, any person who is or was a director, officer, agent or employee of the Association. In the event the provisions of indemnification set forth below are more restrictive than the provisions of indemnification allowed by Article 1396-2.22A of the Texas Non-Profit Corporation Act (the "Act"), then such persons named above shall be indemnified to the fullest extent permitted by the Act as it may exist from time to time.

(b) In case of a threatened or pending suit, action or proceeding (collectively, "Suit"), whether civil, criminal, administrative or investigative (other than an action by or in the fight of the Association), against a person named in paragraph (a) above by reason of such person's holding a position named in such paragraph (a), the Association shall indemnify such person, if such person satisfies the standard contained in paragraph (c) below, for amounts actually and reasonably incurred by such person in connection with the defense or settlement of the Suit as expenses (including court costs and attorneys' fees), amounts paid in settlement, judgments, penalties (including excise and similar taxes), and fines.

(c) A person named in paragraph (a) above will be indemnified only if it is determined in accordance with paragraph (d) below that such person:

(i) acted in good faith in the transaction which is the subject of the Suit; and

(ii) reasonably believed:

(A) if acting in his or her official capacity as director, officer, agent or employee of the Association, that his or her conduct was in the best interests of the Association; and

(B) in all other cases, his or her conduct was not opposed to the best interests of the Association; and

(iii) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that such person failed to satisfy the standard contained in this paragraph (c).

(d) A determination that the standard in paragraph (c) above has been satisfied must be made:

(i) by the Board of Directors by a majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding; or

(ii) if such quorum cannot be obtained, by a majority vote of a special committee designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(iii) by special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in subparagraphs (i) or (ii) above, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(e) Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by subparagraph (d)(iii) above for the selection of special legal counsel.

(f) The Association may reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under paragraphs (a) through (e) above, but only in accordance with the provisions as stated in paragraph (d) above, and only after the person to receive the payment (i) signs a written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under paragraph (c) above, and (ii) undertakes in writing to repay such advances if it is ultimately determined that such person is not entitled to indemnification by the Association. The written undertaking required by this paragraph must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

(g) The indemnification provided by paragraphs (a) through (e) above will not be exclusive of any other rights to which a person may be entitled by law or vote of members or disinterested Directors, or otherwise.

(h) The indemnification and advance payment provided by paragraphs (a) through (f) above will continue as to a person who has ceased to hold a position named in paragraph (a) above and will inure to such person's heirs, executors and administrators.

(i) The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in paragraph (a) above against any liability incurred by such person in any such position, or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under paragraphs (a) through (f) above.

(j) Indemnification payments and advance payments made under paragraphs (a) through (i) above are to be reported in writing to the Members of the Association in the next notice or waiver of notice of annual meeting, or within twelve (12) months after the payments are made, whichever is sooner.

(k) All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of, or in connection with, the foregoing indemnification provisions shall be treated and handled by the Association as an expense subject to special assessment.

Section 13.02. Other. The Board of Directors, officers, or representatives of the Association shall enter into contracts or other commitments as agents for the Association, and they shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners).

Section 13.03. Interested Directors and Officers. Contracts and other transactions between the Association and its Directors or officers shall be subject to the following provisions:

(a) If paragraph (b) below is satisfied, no contract or transaction between the Association and any of its Directors or officers (or any other corporation, partnership, association or other organization in which any of them directly or indirectly have a financial interest) shall be void or voidable solely because of this relationship or because of the presence or participation of such Director or officer at the meeting of the Board of Directors or committee thereof which authorizes such contract or transaction, or solely because such person's votes are counted for such purpose.

(b) The contract or transaction referred to in paragraph (a) above will not be void or voidable if:

(i) the contract or transaction is fair to the Association as of the time it is authorized, approved or ratified by the Board of Directors, a committee of the Board of Directors or the Members; or

(ii) the material facts as to the relationship or interest of each such Director or officer as to the contract or transaction are known or disclosed (A) to the members entitled to vote thereon and they nevertheless in good faith authorize or ratify the contract or transaction by a majority of the members present, each such interested person to be counted for quorum and voting purposes, or (B) to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee nevertheless in good faith authorizes or ratifies the contract or transaction by a majority of the disinterested Directors present, each such interested Director to be counted in determining whether a quorum is present but not in calculating the majority necessary to carry the vote.

(c) The provisions contained in paragraphs (a) and (b) above may not be construed to invalidate a contract or transaction which would be valid in the absence of such provisions.

ARTICLE IV MISCELLANEOUS

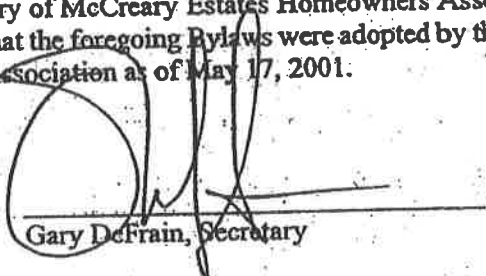
14.01. Fiscal Year. The fiscal year of the Association may be established by the Board of Directors from time to time. Until changed by the Board of Directors, the fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first (1st) fiscal year shall begin on the closing and funding of the first (1st) sale of a Lot.

14.02. Notices. Any notice required to be given to any Member hereunder and for which no provision is made as to how the notice shall be given, may be given in writing by mail, addressed to such Member at the address as it appears on the records of the Association, with postage thereon prepaid, or in any other method permitted by applicable 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 mails. Notice to the Association shall be given in accordance with the Declaration.

14.03. Interpretation. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. Notwithstanding any such conflicts, to the extent reasonably practical, the Articles of Incorporation, Bylaws and Declaration shall be construed and interpreted together as consistent and non-conflicting documents, such being the intent hereof and thereof.

CERTIFICATION

I, the undersigned, the duly elected and acting Secretary of McCreary Estates Homeowners Association, Inc., a Texas non-profit corporation, do hereby certify that the foregoing Bylaws were adopted by the Board of Directors of the Association as the Bylaws of said Association as of May 17, 2001.



Gary Deffrain, Secretary