

BYLAWS
OF
PARKWAY VILLAGE MASTER HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Definitions

As used herein, the term "Member" shall mean an Owner, the term "Declaration" shall mean that certain Master Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements dated as of March 20, 1985, executed by Great Southwest Homes, Inc., and relating to land located in Collin County, Texas more particularly described in Exhibits A, B and C of the Articles of Incorporation of the Corporation, and the terms "Owner", "Common Properties", "Lots", "Development Period", "Regular Section One Sites", "Section Two Land", "Section Three Land" and "Subsidiary Declaration" shall have the meanings set forth in the Declaration.

ARTICLE II

Offices

The principal office of the Corporation shall be at Suite C13, 13601 Preston Road, Dallas, Texas 75240. The Corporation may maintain such other business offices within or without the State of Texas as the board of directors may from time to time establish.

ARTICLE III

Members

Section 3.1. Membership. Each individual and legal entity now or hereafter becoming an Owner automatically shall be a Member of the Corporation.

Section 3.2. Certificates of Membership. The Corporation may issue to each Member certificates, cards or other instruments evidencing membership rights. Such documents, if issued, may be in such form or forms as the board of directors may approve, and shall be signed by the president or a vice president, and by the secretary or an assistant secretary, of the Corporation. If issued, such documents shall be consecutively numbered and a record of such issuance maintained.

Section 3.3. Transfer of Membership. Membership shall be nontransferable, and, upon ceasing to own a Lot, a Member shall cease to be a Member.

Section 3.4. Suspension of Membership Rights. The membership rights of a Member, including, without limitation, voting rights and the right to use and enjoy the Common Properties, may be suspended by the board of directors by notice to such Member during any period when assessments of the Corporation remain unpaid or a Member or his lessee is otherwise in default under the terms of the Declaration or these bylaws; however, upon payment of such assessment and/or cure of such other default, all rights and privileges automatically shall be restored.

ARTICLE IV

Members' Meetings

Section 4.1. Annual Meetings. Commencing in the calendar year 1986, an annual meeting of Members, for the election of directors and for the transaction of such other business as may properly come before the meeting, shall be held at the principal office of the Corporation, at 7:30 p.m. local time, on the third Monday in January of each year unless such day is a legal holiday, in which case such meeting shall be held at such hour on the first day thereafter which is not a legal holiday, or, at such other place and time as may be designated by the board of directors; provided, however, that a first meeting (the "First Meeting") of Members shall be held not less than one hundred twenty days following the initial sale or conveyance of not less than seventy-five percent (75%) of the Lots. Failure to hold any annual meeting or meetings shall not work a forfeiture or dissolution of the Corporation.

Section 4.2. Special Meetings. Except as otherwise provided by law or by the articles of incorporation, special meetings of the Members may be called by the president, the board of directors or the holders of not less than one-tenth of the votes entitled to be cast at such meeting, and shall be held at the principal office of the Corporation or at such other place, and at such time, as may be stated in the notice calling such meeting. Business transacted at any special meeting of Members shall be limited to the purpose stated in the notice of such meeting given in accordance with the provisions of Section 4.3.

Section 4.3. Notice of Meetings - Waiver. Written or printed notice of each meeting of Members stating the place, day and hour of any meeting, and, in case of a special Members' meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of such meeting, either personally or by mail, by or at the discretion of the president, the board of directors, or the persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears in the records of the Corporation, with postage thereon prepaid. Such further or earlier notice shall be given as may be required by law. The signing by a Member of a written waiver of notice of any Members' meeting, whether before or after the time stated in such waiver, shall be equivalent to the receiving by him of all notice required to be given with respect to such meeting. Attendance by a Member, whether in person or by proxy, at a Members' meeting shall constitute a waiver of notice of such meeting. No notice of any adjournment of any meeting shall be required.

Section 4.4. Fixing of Record Date. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or any adjournment thereof, the board of directors of the Corporation may provide that as of a certain date not less than ten days nor more than fifty days preceding the meeting, only such individuals and legal entities being Members as of such date shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof.

Section 4.5. Quorum and Presiding Officers. Except as otherwise provided by law or these bylaws, the holder of a majority of the votes entitled to be cast at the meeting and represented in person or by proxy shall constitute a quorum at a meeting of Members, but the Members present at any meeting, although representing less than a quorum, may from time to time adjourn the meeting to some other day and hour, without notice other than

announcement at the meeting. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. The vote of the holders of a majority of the votes entitled to be cast and being present, in person or by proxy, at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law or the Declaration. The president shall preside at, and the secretary shall keep the records of, each meeting of Members, and in the absence of either such officer, his duties shall be performed by any officer authorized by these bylaws or any person appointed by resolution duly adopted at the meeting.

Section 4.6. Voting at Meetings. Each Member shall have one vote on all matters properly the subject of a vote by Members; provided, however, that, with respect to Owners of Section Two Land and Section Three Land, for the purpose of voting upon vacancies on the board of directors, the weight of each Member's vote on such matter shall correspond to his percentage of voting interest under any Subsidiary Declaration established with respect to that Land and if no such Subsidiary Declaration then exists the Members shall have an equal voice in such decisions. In cases where more than one party owns an interest in a Lot, all such parties shall designate one of their number to exercise the voting rights hereby recognized by an instrument in writing delivered to the secretary of the Corporation (failing which no votes with respect to such Lot shall be counted for any purpose).

Section 4.7. Proxies. A Member may vote either in person or by proxy executed in writing by such Member, or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. A proxy shall be revocable unless expressly provided therein to be irrevocable (and in no event shall it be irrevocable for more than eleven months) or unless otherwise made irrevocable by law.

Section 4.8. Balloting. Upon the demand of any Member, the vote upon any question before the meeting shall be by ballot. At each meeting, inspectors of election may be appointed by the presiding officer of the meeting; and, at any meeting for the election of directors, inspectors shall be so appointed on the demand of any Member present or represented by proxy and entitled to vote in such election of directors. No director or candidate for the office of director shall be appointed as such inspector. The number of votes cast by Members in the election of directors shall be recorded in the minutes.

Section 4.9. No Cumulative Voting. No Member shall have the right to cumulate his vote in any election of directors.

Section 4.10. Record of Members. The Corporation shall keep at its principal office a record of its Members, giving the names and addresses of each Member.

Section 4.11. Action Without Meeting. Any action required by statute to be taken at a meeting of the Members of the Corporation, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Members. Any such signed consent, or a signed copy thereof, shall be placed in the minute book of the Corporation.

ARTICLE V

Board of Directors

Section 5.1. Number, Qualifications and Term. The affairs of the Corporation shall be managed and controlled by the board of directors; and, subject to any restrictions imposed by law, by the articles of incorporation, by the Declaration or by these bylaws, the board of directors may exercise all the powers of the Corporation. Specifically, but without limitation, the board of directors shall be entitled to take such actions, and to give and withhold such consents, as may be required of the Corporation under the provisions of the Declaration. Prior to the First Meeting the board of directors shall consist of three (3) members and, beginning with the First Meeting, the board of directors shall consist of five (5) members. Directors need not be residents of Texas, but, must be Members of the Corporation owning a Lot upon the land represented by such director, except during the Development Phase. Except as otherwise provided in Section 5.3. of these bylaws, the vacant positions on the board of directors shall be filled by election at the annual meeting of Members. Prior to the First Meeting a director shall hold office, unless removed in accordance with Section 5.2. of these bylaws, until the First Meeting of the Members or until his successor shall have been duly elected and qualified. From and after the First Meeting, one (1) director shall have a term of one (1) year, two (2) directors shall have a term of two (2) years and two (2) directors shall have a term of three (3) years.

Section 5.2. Removal. Any director or the entire board of directors may be removed from office for cause at any special meeting of Members upon the affirmative vote of a majority of the votes entitled to be cast for the selection of such director at the meeting and present in person or by proxy, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If the notice calling such meeting shall have so provided, the vacancy caused by such removal may be filled at such meeting by the affirmative vote of a majority of votes entitled to be cast for the selection of such director at the meeting and present in person or by proxy.

Section 5.3. Vacancies. Any vacancy occurring in the board of directors may be filled by the vote of a majority of the remaining directors, even if such remaining directors comprise less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any position on the board of directors to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of the Members, or at a special meeting of Members duly called for such purpose.

Section 5.4. Regular Meetings. Regular meetings of the board of directors shall be held immediately following each annual meeting of Members, at the place of such meeting, and at such other times and places as the board of directors shall determine. No notice of any kind of such regular meetings need be given to either old or new members of the board of directors.

Section 5.5. Special Meetings. Special meetings of the board of directors shall be held at any time by call of the chairman of the board, the president or any two directors. The secretary shall give notice of each special meeting to each director at his usual business or residence address by mail at least three days before the meeting or by telegraph or telephone at least one day before such meeting. Except as otherwise provided by law, by the articles of incorporation or by these bylaws, such notice need not specify the business to be transacted at, or the purpose of, such meeting. No notice shall be necessary for any adjournment of

any such meeting. The signing of a written waiver of notice of any special meeting by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the receiving of such notice. Attendance of a director at a meeting shall also constitute a waiver of notice of such meeting, except where a director attends a meeting for the express and announced purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5.6. Quorum. A majority of the number of directors fixed by these bylaws shall constitute a quorum for the transaction of business and the act of not less than a majority of such quorum of the directors shall be required in order to constitute the act of the board of directors, unless the act of a greater number shall be required by law, by the articles of incorporation or by these bylaws. Directors present by proxy may not be counted toward a quorum.

Section 5.7. Procedure at Meetings. The board of directors, at each regular meeting held immediately following the annual meeting of Members, shall appoint one of their number as chairman of the board of directors. The chairman of the board shall preside at meetings of the board. In his absence at any meeting, any officer authorized by these bylaws or any member of the board selected by the directors present shall preside. The secretary of the Corporation shall act as secretary at all meetings of the board. In his absence, the presiding officer of the meeting may designate any person to act as secretary. At meetings of the board of directors, the business shall be transacted in such order as the board may from time to time determine.

Section 5.8. Presumption of Assent. Any director of the Corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of 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 Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who votes in favor of such action.

Section 5.9. Action Without a Meeting. Any action required by statute to be taken at a meeting of the directors of the Corporation, or which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by each director entitled to vote at such meeting, and such consent shall have the same force and effect as a unanimous vote of the directors. Such signed consent, or a signed copy thereof, shall be placed in the minute book of the Corporation.

Section 5.10. Compensation. Directors as such shall not receive any compensation for their service, but, by resolution of the board of directors, reimbursement for reasonable expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board of directors or at any meeting of a committee of directors, if any, to which such director may be elected in accordance with the following Section 5.11; but, nothing herein shall preclude any director from serving the Corporation in any other capacity or receiving reasonable compensation therefor.

Section 5.11. Committees. The board of directors, by resolution adopted by a majority of the number of directors fixed by these bylaws, may designate one or more committees, which committees shall consist of two or more persons, all of whom shall be

directors of the Corporation. Such committees may exercise such authority of the board of directors in the affairs of the Corporation as the board of directors may by resolution duly delegate to it except as prohibited by law. The designation of such committees and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon him by law. Any member of the committees may be removed by the board of directors by the affirmative vote of a majority of the number of directors fixed by the bylaws whenever in the judgment of the board the best interests of the Corporation will be served thereby.

The committees shall keep regular minutes of their proceedings and report the same to the board of directors when required. The minutes of the proceedings of the committees shall be placed in the minute book of the Corporation.

ARTICLE VI

Officers

Section 6.1. Number. The officers of the Corporation shall consist of a president, one or more vice presidents, a secretary and a treasurer; and, in addition, such other officers and assistant officers and agents as may be deemed necessary or desirable. Officers shall be elected or appointed by the board of directors. Any two or more offices may be held by the same person except that the president and secretary shall not be the same person. Officers need not be members of the Corporation.

Section 6.2. Election and Term. Officers shall be chosen by the board of directors annually at the meeting of the board of directors following the annual Members' meeting. Each officer shall hold office until his successor has been chosen and qualified, or until his death, resignation or removal.

Section 6.3. Removal. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the Corporation will be served thereby; but, such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create any contract rights.

Section 6.4. Vacancies. Any vacancy in any office for any cause may be filled by the board of directors at any meeting.

Section 6.5. Duties. The officers of the Corporation shall have such powers and duties, except as modified by the board of directors, as generally pertain to their offices, respectively, as well as such powers and duties as from time to time shall be conferred by the board of directors and by these bylaws.

Section 6.6. The President. The president shall have general direction of the affairs of the Corporation and general supervision over its several officers, subject however, to the control of the board of directors. He shall at each annual meeting, and from time to time, report to the Members and to the board of directors all matters within his knowledge which, in his opinion, the interest of the Corporation may require to be brought to the notice of such persons. He may sign, with the secretary or an assistant secretary, any or all certificates or other instruments evidencing membership in the Corporation. He shall preside at all meetings of the Members, shall sign and execute in the name of the Corporation (i) all contracts or other instruments authorized by the board of directors, and (ii) all contracts or instruments in the usual and regular course of the affairs of the Corporation,

pursuant to Section 7.2. hereof, except in cases when the signing and execution thereof shall be expressly delegated or permitted by the board or by these bylaws to some other officer or agent of the Corporation; and, in general, shall perform all duties incident to the office of president, and such other duties as from time to time may be assigned to him by the board of directors or as are prescribed by these bylaws.

Section 6.7. Vice Presidents. At the request of the president, or in his absence or disability, the vice presidents, in the order of their election, shall perform the duties of the president, and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the president. Any action taken by a vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken. The vice presidents shall perform such other duties as may, from time to time, be assigned to them by the board of directors or the president. A vice president may sign, with the secretary or an assistant secretary, certificates or other instruments evidencing membership in the Corporation.

Section 6.8. Secretary. The secretary shall keep the minutes of all meetings of the Members, of the board of directors, and of the committees established pursuant to Section 5.11 hereof, if any, of the board of directors, in one or more books provided for such purpose and shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law. He shall be custodian of the corporate records and of the seal (if any) of the Corporation and see, if the Corporation has a seal, that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal, is duly authorized; shall have general charge of the books and papers of the Corporation, all of which shall, at any reasonable time, be open to the examination by any Member, or his agent or attorney, for any proper purpose; and in general shall perform all duties and exercise all powers incident to the office of the secretary and such other duties and powers as the board of directors or the president from time to time may assign to or confer on him.

Section 6.9. Treasurer. The treasurer shall keep complete and accurate records of account, showing at all times the financial condition of the Corporation. He shall be the legal custodian of all money, notes, securities and other valuables which may from time to time come into the possession of the Corporation. He shall furnish at meetings of the board of directors, or whenever requested, a statement of the financial condition of the Corporation, and shall perform such other duties as these bylaws may require or the board of directors may prescribe.

Section 6.10. Assistant Officers. Any assistant secretary or assistant treasurer appointed by the board of directors shall have power to perform, and shall perform, all duties incumbent upon the secretary or treasurer of the Corporation, respectively, subject to the general direction of such respective officers, and shall perform such other duties as these bylaws may require or the board of directors may prescribe.

Section 6.11. Salaries. The salaries or other compensation of the officers for services rendered shall be fixed from time to time by the board of directors. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that he is also a director of the Corporation.

Section 6.12. Delegation. The board of directors may delegate temporarily the powers and duties of any officer of the Corporation, in case of his absence or for any other reason, to

any other officer, and may authorize the delegation by any officer of the Corporation of any of his powers and duties to any agent or employee, subject to the general supervision of such officer.

ARTICLE VII

Miscellaneous

Section 7.1. Dividends. No dividend shall be paid, and no part of the income of the Corporation shall be distributed, to the Members, directors or officers of the Corporation. The Corporation may pay compensation in a reasonable amount to the Members, directors or officers for services rendered.

Section 7.2. Contracts. The president shall have the power and authority to execute, on behalf of the Corporation, contracts or instruments in the usual and regular course of the Corporation's affairs, and in addition, the board of directors may authorize any officer or officers, agent or agents, of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized by the board of directors or by these bylaws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it pecuniarily liable for any purpose or in any amount.

Section 7.3. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or employees of the Corporation as shall from time to time be authorized pursuant to these bylaws or by resolution of the board of directors.

Section 7.4. Depositories. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the board of directors may from time to time designate, and upon such terms and conditions as shall be fixed by the board of directors. The board of directors may from time to time authorize the opening and maintaining within any such depository as it may designate, of general and special accounts, and may make such special rules and regulations with respect thereto as it may deem expedient.

Section 7.5. Corporate Seal. The corporate seal, if any, shall be in such form as the board of directors shall approve, and such seal, or a facsimile thereof, may be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature required to be executed by officers of the Corporation.

Section 7.6. Fiscal Year. The fiscal year of the Corporation shall begin and end on such dates as the board of directors at any time shall determine.

Section 7.7. Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, board of directors and committees established pursuant to Section 5.11 hereof, and shall keep at its registered office or principal place of business a record of its Members, giving the names and addresses of all Members. All books and records of the Corporation may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

Section 7.8. Resignations. Any director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no

time is specified, at the time of its receipt by the president or secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 7.9. Indemnification of Officers and Directors.

Each person who may have served as a director or officer of the Corporation shall be indemnified by the Corporation against any liability imposed upon him and for any expense reasonably incurred by him in connection with any claim made against him, or any action, suit or proceedings to which he may be a party by reason of his being, or having been, such director or officer, and against such sums as counsel selected by the board of directors shall deem reasonable payment made in settlement of any such claim, action, suit or proceeding primarily with a view to avoiding expenses of litigation; provided, however, that no director or officer shall be indemnified with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of his duties, or with respect to any matters which shall be settled by the payment of sums which counsel selected by the board of directors shall not deem reasonable payment made primarily with a view to avoiding expenses of litigation, or with respect to matters for which such indemnification would be unlawful or against public policy. Any right of indemnification granted by this Section 7.9 shall be in addition to and not in lieu of any other such right to which any director or officer of the Corporation may at any time be entitled under the laws of the State of Texas; and if any indemnification which would otherwise be granted by this Section 7.9 shall be disallowed by any competent court or administrative body as illegal or against public policy, then any director or officer with respect to whom such adjudication was made, and any other officer or director, shall be indemnified to the fullest extent permitted by law and public policy, it being the express intent of the Corporation to indemnify its officers and directors to the fullest extent possible in conformity with these bylaws, all applicable laws, and public policy.

Section 7.10. Use and Enjoyment of the Common Properties.

Every Member of the Corporation, and the families and guests of each such Member, shall have the right of enjoyment in and the use of the Common Properties in accordance with and subject to the terms and conditions set forth in the Declaration. Any Member may delegate his rights of enjoyment in and the use of the Common Properties to any tenant who resides in the Member's Lot. Such Member shall notify the secretary of the Corporation in writing of the same of such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Section 3.5 hereof to the same extent as those of the Member.

Section 7.11. Assessments. The board of directors of the Corporation shall establish, levy and assess and collect the assessments more particularly described in the Declaration, the provisions of the Declaration concerning such assessments being incorporated herein by reference and being made a part hereof for all purposes.

Section 7.12. Rules and Regulations. The board of directors shall adopt and publish or cause to be published rules and regulations governing the occupancy of Lots and the use of the Common Properties, and any such rules and regulations so adopted shall be binding upon any and all occupants of the Lots and their respective invitees. Such rules and regulations shall additionally be subject to amendment from time to time by the board of directors.

ARTICLE VIII

Amendments

The power to alter, amend or repeal these bylaws, or to adopt new bylaws, shall be vested in the Members of the Corporation; however, such power may be delegated by the Members to the board of directors.