BYLAWS OF
QUAIL CREEK RANCHES SUBDIVISION PROPERTY OWNERS ASSOCIATION

These Bylaws (referred to as the "Bylaws") govern the affairs of QUAIL CREEK RANCHES SUBDIVISION PROPERTY OWNERS ASSOCIATION, a nonprofit Corporation (referred to as the "Corporation") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

ARTICLE 1
OFFICES

Principal Office

1.01. The principal office of the Corporation in the State of Texas shall be located at 4241 E. Piedras, Suite 150, San Antonio, Texas 78228. The Corporation may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Corporation.

Registered Office and Registered Agent

1.02. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE 2
MEMBERS

Class of Members

2.01. The Corporation shall have one class of members. Each lot owner, by acceptance of a Deed to any lot or lots in QUAIL CREEK RANCHES SUBDIVISION PHASE ONE, QUAIL CREEK RANCHES SUBDIVISION PHASE TWO, QUAIL CREEK RANCHES SUBDIVISION PHASE THREE, QUAIL CREEK RANCHES SUBDIVISION PHASE FOUR, and QUAIL CREEK RANCHES SUBDIVISION PHASE FIVE is a member of this non-profit Corporation. Each member is subject to annual assessments and special assessments as described in the Declarations of Limitations and Restrictions for Quail Creek Ranches Subdivision of Record in the Official Public Records of Atascosa County, Texas.

Certificates of Membership

2.02. Each owner's deed evidences membership in the Corporation.

Voting Rights

2.03. Each lot in the subdivisions shall be entitled to one vote. When more than one person holds an interest in any one lot, all such persons shall be members of the Corporation, but they shall collectively cast only one vote for each lot owned.

Waiver of Interest in Corporation Property

2.04. All real and personal property, including all improvements located on the property, acquired by the Corporation shall be owned by the Corporation. A member shall have no interest in specific property of the Corporation. Each member hereby expressly waives the right to require partition of all or part of the Corporation's property.

ARTICLE 3
MEETINGS OF MEMBERS

Annual Meeting

3.01. Beginning in 2001, the Board of Directors shall hold an annual meeting of the members at 7:00 o'clock p.m. on the 15th day of November each year or at another time that the Board of Directors designates. If the day fixed for the annual meeting is a Saturday, Sunday, or legal holiday in the State of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect directors and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as possible to conduct the election of directors.

Special Meetings

3.02. Special meetings of the members may be called by the president, the Board of Directors, or not less than one-tenth of the voting members.

Place of Meeting

3.03. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the registered office of the Corporation in Texas.

Notice of Meetings

3.04. Written or printed notice of any meeting of members, including the annual meeting, shall be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. If the Corporation has more than 1,000 members at the time the meeting is scheduled or called, notice may be given by publication in any newspaper of general circulation in Atascosa County, Texas. The notice shall state the place, day, and time of the meeting, who called the meeting, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the Corporation, or the officers or persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

Quorum

3.05. The members holding five percent of the votes that may be cast at a meeting who attend the meeting in person or by proxy shall constitute a quorum at that meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

Actions of Membership

3.06. The membership shall try to act by consensus. However, the vote of a majority of voting members present and entitled to vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law or the bylaws. Voting shall be by voice, except that any election of directors shall be by ballot if demanded by any voting member at the meeting before the voting begins.

Proxies

3.07. A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Voting by Mail

3.08. The Board of Directors may authorize members to vote by mail on the election of directors and officers or on any other matter that may be voted on by the members.

ARTICLE 4
BOARD OF DIRECTORS

Management of the Corporation

4.01. The affairs of the Corporation shall be managed by the Board of Directors.

Number, Qualifications, and Tenure of Directors

4.02. The number of Directors shall be no less than three (3) nor more than fifteen (15). Directors shall be residents of Texas. Directors shall be members of the Corporation. Each director shall serve for a term of two (2) years.

Nomination of Directors

4.03. At any meeting at which the election of a director occurs, a voting member may nominate a person with the second of any other voting member.

Election of Directors

4.04. A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the membership of the Corporation. Directors shall be elected at the annual meeting of the members. In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. Each director shall hold office until a successor is elected and qualified. A director may be elected to succeed himself or herself as director.

Vacancies

4.05. Any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

Annual Meeting

4.06. The annual meeting of the Board of Directors may be held without notice other than these Bylaws. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of the members.

Regular Meetings

4.07. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

Special Meetings

4.08. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the directors as required in the Bylaws.

Notice

4.09. Written or printed notice of any special meeting of the Board of Directors shall be delivered to each director not less than five nor more than 30 days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

Quorum

4.10. A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

Duties of Directors

4.11. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. Directors shall act as fiduciaries with respect to the interests of the members. In acting in their official capacity as directors of this Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and that are

not take any action that they should reasonably believe would be opposed to the Corporation's best interests or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Actions of Board of Directors

4.12. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors.

Compensation

4.13. Directors shall not receive salaries for their services.

Removal of Directors

4.14. The members may vote to remove a director at any time with or without good cause. A meeting to consider the removal of a director may be called and noticed following the procedures provided in the bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Corporation shall consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director. A director may be removed by the affirmative vote of fifty percent (50%) of the Board of Directors.

4.15. Any director missing more than three (3) unexcused meetings automatically forfeits his office as a Director. A majority of the Directors present at a meeting for which a Director is absent shall determine whether or not the absent Director's absence is excused.

ARTICLE 5
OFFICERS
Officer Positions

5.01. The officers of the Corporation shall be a president, one vice-president, secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.

Election and Term of Office

5.02. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An office may be elected to succeed himself or herself in the same office.

Removal

5.03. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

Vacancies

5.04. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

5.05. The President shall be the chief executive officer of the Corporation. The President shall supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the members and of the Board of Directors. The President may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors have authorized to be executed. However, the President may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the bylaws, or statute. The President shall perform other duties prescribed by the Board of Directors and all duties incident to the office of President.

Vice-President

5.06. When the president is absent, is unable to act, or refuses to act, a vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place of the president in the order of the votes received when elected. A vice president shall perform other duties as assigned by the president or board of directors.

Treasurer

5.07. The treasurer shall:

(a) Have charge and custody of and be responsible for all funds and securities of the Corporation.

(b) Receive and give receipts for moneys due and payable to the Corporation from any source.

(c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided in the bylaws or as directed by the Board of Directors or President.

(d) Write checks and disburse funds to discharge obligations of the Corporation. Funds may not be drawn from the Corporation or its accounts for amounts greater than $20.00 without the signature of the president or vice president in addition to the signature of the treasurer.

(e) Maintain the financial books and records of the Corporation.

(f) Prepare financial reports at least annually.

(g) Perform other duties as assigned by the President or by the Board of Directors.

(h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.

(i) Perform all of the duties incident to the office of treasurer.

Secretary

5.08. The Secretary shall:

(a) Give all notices as provided in the by laws or as required by law.

(b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.

(c) Maintain custody of the corporate records and of the seal of the Corporation.

(d) Affix the seal of the Corporation to all documents as authorized.

(e) Keep a register of the mailing address of each member, director, officer, and employee of the Corporation.

(f) Perform duties as assigned by the president or by the Board of Directors.

(g) Perform all duties incident to the office of secretary.

ARTICLE 6
TRANSACTIONS OF THE CORPORATION

Contracts

6.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Deposits

6.02. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors select.

Gifts

6.03. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the Corporation's federal and state tax status.

Potential Conflicts of Interest

6.04. The Corporation shall not make any loan to a director or officer of the Corporation. A member, director, officer, or committee member of the Corporation may lend money to and otherwise transact business with the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Board of Directors or the members, not including the vote of any person having a personal interest in the transaction.

Prohibited Acts

6.05. As long as the Corporation is in existence, and except with the prior approval of the Board of Directors or the members, no director, officer, or committee member of the Corporation shall:

(a) Do any act in violation of the bylaws or a binding obligation of the Corporation.

(b) Do any act with the intention of harming the Corporation or any of its operations.

(c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.

(d) Receive an improper personal benefit from the operation of the Corporation.

(e) Use the assets of the Corporation, directly or indirectly, for any purposes other than carrying on the business of this Corporation.

(f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.

(g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.

(h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 7
BOOKS AND RECORDS

Required Books and Records

7.01. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

(a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.

(b) A copy of the bylaws, and any amended versions or amendments to the bylaws.

(c) Minutes of the proceedings of the members, Board of Directors, and committees having any of the authority of the Board of Directors.

(d) A list of the names and addresses of the members, directors, officers, and any committee members of the Corporation.

(e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three (3) most recent fiscal years.

(f) A financial statement showing the income and expenses of the Corporation for the three (3) most recent fiscal years.

(g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.

(h) The Corporation's federal, state, and local information or income tax returns for the Corporation's three (3) most recent tax years.

Inspection and Copy

7.02. Any member, director, officer, or committee member of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Corporation's books and records may do so at a reasonable time no later than five working days after the Corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. The fees may cover the cost of materials and labor, but may not exceed fifty cents (50¢) per page. The Corporation shall provide requested copies of books or records no later than five working days after the Corporation's receipt of a proper written request.

Audits

7.03. Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in a fiscal year.

ARTICLE 8
FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December in each year.

ARTICLE 9
INDEMNIFICATION

When Indemnification is Required, Permitted, and Prohibited

9.01. (a) The Corporation shall indemnify a director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or actions or omissions within the scope of his or her official capacity in the Corporation. For the purposes of this article, an agent includes one who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a director, officer, member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, member, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify a person in any situation in which indemnification is prohibited by the terms of paragraph 9.01(a) above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation or one or more members; or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Corporation may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

9.02. (a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 9.02(c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

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

(iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 9.02(a)(i) or 9.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(iv.) Majority vote of members, excluding directors who are named defendants or respondents in the proceeding.

(b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and

determination of reasonableness of expenses shall be made in the manner specified by paragraph 9.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 9.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 9.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Corporation. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE 10
NOTICES

Notice by Mail

10.01. Any notice required or permitted by the bylaws to be given to a member, director, officer, or member of a committee of the Corporation may be given by mail. A notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with postage prepaid. A person may change his or her address by giving written notice to the secretary of the Corporation.

Signed Waiver of Notice

10.02. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the articles of incorporation or the bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

Waiver of Notice by Attendance

10.03. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 11
SPECIAL PROCEDURES CONCERNING MEETINGS

Meeting by Telephone

11.01. The Board of Directors of the Corporation may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

ARTICLE 12
AMENDMENT TO BYLAWS

The bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors. The notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 13
MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

13.01. The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall

refer to the authorities cited, or their successors, as they may be amended from time to time.

Legal Construction

13.02. If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

Headings

13.03. The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Gender

13.04. Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words include the singular.

Seal

13.05. The Board of Directors may provide for a corporate seal. Such a seal would consist of two concentric circles containing the words "QUAIL CREEK RANCHES SUBDIVISION PROPERTY OWNERS ASSOCIATION", together with the date of incorporation of the Corporation in one circle and the word "Texas" in the other circle.

Power of Attorney

13.06. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

Parties Bound

13.07. The bylaws shall be binding upon and inure to the benefit of the directors, officers, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the bylaws.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of QUAIL CREEK RANCHES SUBDIVISION PROPERTY OWNERS ASSOCIATION and that the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on November 15, 2001.

DATED: November 15, 2001

ROSE KELLY
Secretary of the Corporation