

**BYLAWS
OF
KNIGHTS BRIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE I

GENERAL

Section 1.1 Name and Location. The name of the corporation is KNIGHTS BRIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC. ("Association"). The initial registered office of the Association shall be located at 5440 Harvest Hill Road, Suite 251, Dallas, Texas 75230, but meetings of Members and Directors may be held at such places within the State of Texas, County of Dallas or Denton, as may be designated by the Board of Directors.

Section 1.2 Applicability of Bylaws. The provisions of these Bylaws are applicable to the property as defined in the Declaration of Covenants, Conditions and Restrictions for Knights Bridge Estates Homeowners' Association, Inc. dated as of February 24, 1995 (herein called the "Declaration"). All present and future Owners, Mortgagees, lessees and occupants of Lots and their employees, and any other person who may use the Development in any manner are subject to these Bylaws and the Declaration, as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy or use of a Lot or the Areas of Common Responsibility or any Open Space shall conclusively establish the acceptance and ratification of these Bylaws and the Declaration, as they may be amended from time to time, by such person and shall constitute and evidence an agreement by such person to comply with the same.

Section 1.3 Terms. Unless otherwise indicated, capitalized terms used herein shall have the meaning specified for such terms in the Declaration.

ARTICLE II

ASSOCIATION OF MEMBERS

Section 2.1. Composition. All of the Owners of Lots in the Development, and the Declarant, acting as a group, in accordance with the Declaration and these Bylaws, shall constitute the Association, which shall have the responsibility of administering the Development, establishing and collecting the Assessments, managing the Development, and performing all of the other acts that may be required to be performed by the Association by the Declaration or these Bylaws. The Association shall have two (2) classes of voting members. The Class "A" Members shall be all Owners, and shall be entitled to one (1) vote for each Lot owned.

When more than one (1) person holds an interest in any lot, all such persons shall be Members, provided, however, in no event shall more than one (1) vote be cast with respect to any Lot. The Class "B" Members shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Lot it owns; provided, however, that the Declarant shall cease to be a Class "B" Member and shall become a Class "A" Member entitled to one (1) vote per Lot it owns on the happening of either (a) the date upon which the total votes outstanding in the Class "A" membership equals the total votes outstanding in the Class "B" membership, or (b) the expiration of ten (10) years from the date of recording of the Declaration in the Deed Records of Denton County, Texas. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. Except as to those matters which the Declaration specifically requires to be performed by vote of the Members, the administration of the foregoing responsibilities shall be performed by the Board of Directors or officers of the Association, as more particularly set forth herein.

Section 2.2 Annual Meetings; Special Meetings. The Association will have at least one meeting a calendar year and such number of special meetings during a calendar year as the Directors shall deem necessary. The notice of any such special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.3 Place of Meetings. Meetings of the Association shall be held at such suitable place convenient to the Members as may be designated by the Board of Directors.

Section 2.4 Notice of Meetings. It shall be the duty of the Secretary to deliver personally or mail, by United States mail, first class postage prepaid, a notice of (a) each meeting of the Association (other than with respect to Assessments), not less than thirty (30) nor more than sixty (60) days in advance of such meeting, and (b) each meeting of the Association relating to Assessments as provided in Sections 4.3 and 4.4 of the Declaration, not less than ten (10) nor more than (20) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Lots or at such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of a meeting in the manner provided in this Section shall be deemed service of notice.

Section 2.5 Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, another meeting may be called subject to the same notice requirement set forth in Section 2.4(a) hereinabove, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required

to achieve a quorum (the quorum requirement being reduced for each such meeting). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 2.6 Voting. The vote to which each Member shall be entitled at all meetings of the Association shall be as provided in Section 3.2 of the Declaration. At all meetings of the Association, there shall be no cumulative voting. Prior to all meetings, the Board shall determine the total number of votes outstanding and the Members entitled to vote. Except where a greater number is required by the Declaration or these Bylaws, a majority of the Members shall be required to adopt decisions at any meeting of the Association. No Member in default of any Assessments may vote at any meeting of the Association or be elected to or serve on the Board of Directors.

Section 2.7 Proxies. The votes appertaining to any Lot may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner, or, in the cases where the Owner is more than one person or is an entity, by or on behalf of all such persons or by an authorized officer or agent of the entity. No such proxy shall be revocable except by actual notice by the Owner or by any of the persons who are Owners of the Lot to the person presiding over the meeting, that it is revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signatures of those executing the same have not been duly acknowledged. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and all proxies must be filed with the Secretary before the appointed time of the meeting for which they are given. No proxy shall in any event be valid for a period in excess of 180 days after execution thereof.

Section 2.8 Majority of the Members. As used in these Bylaws, the term "majority of the Members" or words of like import shall mean the Members who possess fifty-one percent (51%) or more of the aggregate outstanding votes as determined pursuant to Section 3.2 of the Declaration.

Section 2.9 Quorum. At any meeting of the Members, the presence of Members or of proxies of voting representatives entitled to cast fifty percent (50%) of all the votes entitled to be cast by the Members of the Association shall constitute a quorum except with respect to meetings held pursuant to the terms of Section 4.3 and 4.4 of the Declaration in which the presence of Members or of proxies entitled to cast sixty-percent (60%) of all of the votes entitled to be cast by the Members of the Association shall constitute a quorum.

Section 2.10 Conduct of Meeting. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The then current Roberts Rules of Order or any other rules of procedure acceptable to a majority of the Members present at any meeting in person or by proxy shall govern the conduct of any meetings of the Association when not in conflict with the Declaration or these Bylaws. All votes shall be tallied by persons appointed by the President or other officer presiding over the meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall be composed of three (3) natural persons. All Directors other than those designated by the Declarant shall be Owners or spouses, officers, partners, agents or employees of Owners or the Declarant. The Declarant shall have the exclusive right in its sole discretion to replace such Directors as may be selected and designated by it, and to select and designate their successors.

Section 3.2 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Declaration or these Bylaws directed to be exercised and done by vote of the Members. The Board of Directors shall have the power from time to time to adopt Rules and Regulations deemed necessary for the enjoyment of the Development provided the Rules and Regulations shall not be in conflict with the Declaration or these Bylaws. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to, and shall be responsible for, the following:

(a) Preparation of an annual budget, in which there shall be established the required contribution of each Lot Owner to the Assessments.

(b) Making Assessments against Lot Owners in accordance with the terms of the Declaration, establishing the means and methods of collecting such Assessments from the Lot Owners, and establishing the period of payment of any Special Assessments.

(c) Providing for the operation, care, upkeep, replacement, and maintenance of all of the Areas of Common Responsibility and Open Space.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Areas of Common Responsibility and Open Space and providing services for the Development, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which equipment, supplies and materials shall be deemed the property of the Association.

(e) Collecting the Assessments against the Owners, depositing the proceeds thereof in interest bearing or non-interest bearing accounts with a bank depository which it shall approve, and using the proceeds to carry out the administration of the Association.

(f) Making and amending Rules and Regulations respecting the use of the Development.

(g) Opening bank accounts on behalf of the Association and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations or restoration of, the Development in accordance with the other provisions of these Bylaws or the Declaration.

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and bringing or defending against any proceedings which may be instituted on behalf of or against the Owners.

(j) Obtaining and carrying insurance as provided in the Declaration or these Bylaws, paying the premium cost thereof, and adjusting and settling claims thereunder.

(k) Paying the cost of all services rendered to the Association that are not billed directly to Owners, which shall be paid through the Assessments received from Owners.

(l) Keeping books with detailed accounts in chronological order of the receipts and expenditures affecting the Development, and administration of the Development, specifying the maintenance and repair expenses and any other expenses incurred. Books and vouchers accrediting the entries thereupon shall be available for examination by the Owners or their duly authorized agents or attorneys, during general business hours on working days. All books and records shall be kept in accordance with generally accepted accounting

principles, and the same shall be audited at least once a year by an independent certified public accountant employed by the Board of Directors. The cost of such audit shall be an expense included in the Assessments.

(m) Exercising such rights as the Association may have as a member of any other organization or association.

(n) Doing and performing all other acts and duties of the Board of Directors required or permitted by the Declaration and to do such other things and acts not inconsistent with the Declaration which it may be authorized to do by a resolution of the Association.

Section 3.3 Election and Term of Office. All Directors shall be elected at the annual meeting of the Association and the term of office of all members of the Board of Directors shall be fixed at one year. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 3.4 Removal or Resignation of Members of the Board of Directors. Except with respect to Directors designated or elected by the Declarant, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Members at any regular or special meeting duly called, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Lot Owners shall be given at least seven (7) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and any Director who is a Lot Owner shall be deemed to have resigned upon divestiture of title to his or her Lot in fee or by lease for a term or terms of six months or more, unless such Director acquires or contracts to acquire another Lot under terms giving such Director a right of occupancy effective as of or before the termination of the right of occupancy pursuant to such other disposition.

Section 3.5 Vacancies. Vacancies of the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Association; provided, however, that subject to Section 2.2 the vacancy in the position of any Director designated or elected by the Declarant shall be filled by the Declarant.

Section 3.6 Organization Meetings. The first meeting of the members of the Board of Directors following any meeting of the Association at which Directors are elected shall be held within ten (10) days after such meeting, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present at such meeting.

Section 3.7 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, delivered in person or given by mail or telegraph, at least three (3) business days prior to the date named for such meeting.

Section 3.8 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each Director, delivered in person or given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 3.9 Waiver of Notice. Any Director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by such Director of the time and place of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.10 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present or a sole present Director may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.11 Compensation. No Director shall receive any compensation from the Association for acting as such.

Section 3.12 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the

Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at all meetings of the Board of Directors. The then current Roberts Rules of Order or any other rules of procedure at any time or from time to time acceptable to a majority of the Board of Directors shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration or these Bylaws.

Section 3.13 Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.14 Common or Interested Directors. Each member of the Board of Directors shall exercise his or her powers and duties in good faith and with a view to the interests of the Association. No contract or other transaction between the Association and any of its Directors, or between the Association and any corporation, firm or association (including the Declarant) in which any of the Directors of the Association are Directors or officers or are pecuniarily or otherwise interested, is or shall be either void or voidable because any such Director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or her vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or is noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Any common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, but shall not vote at such meeting to authorize any such contract or transaction. The approval required in such cases under subsection (a) above shall be made by a majority of the whole Board of Directors less the number of common or interested Directors.

Arrangements between the Association and the Declarant or entered into with affiliates of the Declarant while Declarant has the right to elect a majority of the Directors hereunder, shall be deemed to satisfy the requirements of this Section 3.14.

ARTICLE IV

OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be Owners or spouses of Owners, or partners, officers, directors, employees or trustees of Owners who are not natural persons, and shall be selected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary or desirable. The President may be a member of the Board of Directors. Any officers other than the principal officers so designated above may be, but shall not be required to be, Unit Owners or members of the Board of Directors. The foregoing ownership requirements of this Section 4.1 shall not apply to officers chosen by Directors appointed or elected by the Declarant during the period Declarant controls a majority of the Board of Directors as described in Article II and in Section 3.2 of the Declaration.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 4.3 Removal or Resignation of Officers. Upon the affirmative vote of a majority of the members or the Board of Directors, any officer may be removed, either with or without cause. Any officer may resign at any time. Any officer who is a Owner shall be deemed to have resigned upon divestiture of title to his or her Lot in fee or by lease for a term or terms of six months or more, unless such officer acquires or contracts to acquire another Lot under terms giving a right of occupancy effective on or before the termination of the right of occupancy pursuant to such disposition. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting or special meeting for such purpose.

Section 4.4 President. The President shall be chief executive of the Association, shall preside at all meetings of the Association and of the Board of Directors, and in general shall have all of the general powers and duties which are incident to the office of president of a business corporation organized under the Texas Business Corporation Act, including, but not limited to, the power to appoint committees from time to time from among the Owners as the President deems appropriate to assist in the conduct of the affairs of the Association.

Section 4.5 Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the

President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President also shall perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors, shall have charge of such books and papers as the Board of Directors may direct, and, in general, shall perform all the duties incident to the office of secretary of a business corporation organized under the Texas Business Corporation Act.

Section 4.7 Treasurer. The Treasurer shall have the responsibility for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements, for the preparation of all required financial data and for the deposit of all monies and other valuable effects in the name of the Association, in such depositories as may from time to time be designated by the Board of Directors, and shall, in general, perform all the duties incident to the office of treasurer of a business corporation organized under the Texas Business Corporation Act.

Section 4.8 Agreements, Contracts, Deeds, Leases Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by such other persons as may be designated by the Board of Directors.

Section 4.9 Compensation of Officers. No officer shall receive any compensation for acting in such capacity.

ARTICLE V

LIABILITY OF THE BOARD OF DIRECTORS, OFFICERS, OWNERS, AND THE ASSOCIATION

Section 5.1 The officers of the Association and members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Owners and the Association hereby indemnify and hold harmless each of the officers and Directors from and against all liability to others arising out of contracts made, or other action taken, by the officers or the Board of Directors on behalf of the Owners of the Association, unless any such contract or action shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that officers and Directors shall have no personal liability (except as Owners) with respect to any contract made or other action taken by them on behalf of the Association.

Every agreement made by the Board of Directors on behalf of the Association, shall provide, if obtainable, that the Board of Directors is acting only as an agent for the Association and shall have no personal liability thereunder.

Section 5.2 The Association shall not be liable for any failure of utility services or other services to be obtained by the Association, or for injury or damage to any person or property caused by the elements or by any Owner, or by any other person, or resulting from electricity, fire, smoke, wind, water, snow or ice which may leak or flow from any portion of the Areas of Common Responsibility or Open Space or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Areas of Common Responsibility or Open Space. No diminution or abatement of any Assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Areas of Common Responsibility or Open Space, from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE VI

OPERATION OF THE ASSOCIATION

Section 6.1 Determination of Assessments Against Owners.

(a) Fiscal Year. The fiscal year of the shall consist of the twelve month period commencing on January 1 of each year and terminating on a December 31 of that year.

(b) Preparation and Approval of Budget.

(1) Each year on or before the fifteenth (15th) day of November, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Areas of Common Responsibility and Open Space and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be expenses to be covered by Assessments pursuant to the Declaration, these Bylaws or a resolution of the Board of Directors or by the Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Development and the rendering to the Owners of all related services.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital for the Association, a general operating reserve,

and reserves for contingencies and replacements. The budget shall constitute the basis for determining each Owner's contribution for the total Assessments.

(c) Levy of Assessments. The total amount of the estimated funds required for the operation of the Association set forth in the budget or budgets for any fiscal year adopted by the Board of Directors shall be assessed against each Owner; and shall be a lien against each Owner's Lot, all as provided in the Declaration. It shall be the duty of the Board of Directors to assess and collect the Assessments and, to enforce the rights and remedies of the Association, to the extent and in the manner it deems appropriate, consistent with the Declaration, these Bylaws and the laws of the State of Texas with respect to the collection of such Assessments.

Section 6.2 Payment of Assessments. Each Owner shall be obligated to pay all Assessments assessed by the Board of Directors pursuant to the Declaration and these Bylaws. Each such Assessment, together with such interest, costs, and reasonable attorney's fees shall also constitute a personal obligation of the person or entity who was the record Owner of such Lot at the time of the Assessment. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by such successors; provided, however, the lien upon the Lot shall continue until paid.

Section 6.3 Collection of Assessments. The Board of Directors shall take prompt action to collect any Assessments due from any Owner in the manner and to the full extent provided by the Declaration and permitted by applicable law.

Section 6.4 Maintenance and Repair. The Board of Directors shall be responsible for the maintenance, repair and replacement of the Development and the Areas of Common Responsibility and Open Space in the manner set forth in the Declaration and shall enforce the requirements of the Declaration with respect to construction of improvements and use of Lots.

Section 6.5 Additions, Alterations and Improvements. No addition, alteration or improvement to any Lot or Area of Common Responsibility or Open Space may be made except in strict compliance with the Declaration.

ARTICLE VII

COMPLIANCE AND DEFAULT

Section 7.1 Relief. Each Unit Owner shall be governed by, and shall comply with, all the terms of the Declaration, these Bylaws, and the Rules and Regulations, and any amendments of any of

the foregoing. A default by a Owner shall entitle the Association, acting through its Board of Directors, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws, or the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all Assessments, any other relief provided for in the Declaration, these Bylaws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, if appropriate, by any aggrieved Owner.

(b) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court, or otherwise specified in the Declaration, these Bylaws or any agreement of the defaulting Owner.

(c) No Waiver of Rights. The failure of the Association, the Board of Directors, or a Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these Bylaws, or the Rules and Regulations shall not constitute a waiver of the right of such person to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws, or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one of more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by the Declaration, these Bylaws or the Rules and Regulations, or at law or in equity.

(d) Interest. In the event of a default by any Owner in paying any Assessments or any other sum assessed against the Owner which default continues for a period in excess of thirty (30) days, such Owner shall be obligated to pay interest on the amounts due at the highest lawful rate from the due date of payment, until paid.

(e) Assessment Lien. The Board of Directors shall enforce the rights and remedies of the Association, to the extent, and in the manner it deems appropriate, consistent with the Declaration, these Bylaws and the laws of the State of Texas with respect to the collection of Assessments to the full extent permitted by applicable law, or may exercise any

other lawful remedy deemed necessary or desirable for the collection of Assessments permitted or required by the Declaration or these Bylaws.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Notices. Except as otherwise provided herein, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified United States mail, return receipt requested, or first-class postage prepaid, (i) if to a Owner, at the address that the Owner shall designate in writing and file with the Secretary, or if no such address is designated, at the address of the Lot of such Owner or (ii) if to the Association or the Board of Directors, at the principal office of the Association, or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section. If a Lot is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 8.2 Invalidity. The invalidity of any portion of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 8.3 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 8.4 Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the neuter and the use of the singular shall be deemed to include the plural, and vice versa whenever the context so requires.

Section 8.5 Amendments. Except as otherwise provided in these Bylaws, these Bylaws may be modified or amended pursuant to the agreement of Owners of Lots to which at least sixty-six and two thirds percent (66⅔%) of the outstanding votes (determined pursuant to Section 3.2 of the Declaration) held by Members at a meeting at which a quorum is present. Notwithstanding the foregoing, Declarant shall have the right to execute amendments to the Bylaws without the consent or approval of any other party if the sole purpose of the amendment is for the purpose of correcting technical errors or for purposes of clarification.


Section 8.6 Binding Effect. A modification or amendment once adopted as provided for herein shall then constitute part of these Bylaws, and all Owners shall be bound to abide by such modification or amendment.

Section 8.7 Non-Interference with Declarant. Anything herein to the contrary notwithstanding, and except as required to comply with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, FHA, VA or any other governmental or quasi-governmental agency insuring or involved in the making or purchasing of mortgages on any Lot, so long as the Declarant owns one or more Lots, no Bylaw amendment or Rule or Regulation shall be adopted that could, if adopted, unreasonably interfere with the sale, lease or other disposition of such Lots or that could abridge, modify, eliminate or otherwise affect any right, powers, easement, privilege or benefit reserved to the Declarant under the Declaration or these Bylaws or which would impose any discriminatory charge or fee against the Declarant.

IN WITNESS WHEREOF, the Declarant has caused these Bylaws to be duly executed on the date set forth below, to be effective for all purposes as of the 27th day of February, 1995.

KNIGHTS BRIDGE ESTATES HOMEOWNERS'
ASSOCIATION, INC.,
a Texas non-profit corporation

By: _____


Steven Langhoff,
President

Dated: _____

3/8/95

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared STEVEN LANGHOFF, President of KNIGHTS BRIDGE ESTATES HOMEOWNERS' ASSOCIATION, INC., a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged me that the same was the act of the said corporation, and that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 8th day of March, 1995.

Linda Cain

NOTARY PUBLIC in and for
The State of TEXAS

My Commission Expires:
12-18-97

