AMENDED & RESTATED BYLAWS
OF
COVERED BRIDGE CANYON
HOMEOWNERS' ASSOCIATION, INC.
A Texas non-profit Association

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5-05-2000

ARTICLE I
GENERAL

The Covered Bridge Canyon Homeowners' Association, Inc. is the "Association" described within the Covered Bridge Canyon Declaration of Restrictive Covenants, recorded in ~~Volume~~ 387957, Document 147, Real Property Records, Parker County, Texas (the "Declaration," as amended hereafter). For convenience, several of the provisions of the Declaration will be repeated or summarized within these Bylaws. The remaining terms and provisions of these Bylaws are intended to complement and supplement the Declaration. In the event of any conflict or ambiguity between the Declaration (on the one hand) and these Bylaws (on the other hand) and unless otherwise required by law, the terms and conditions of the Declaration shall control and govern. Capitalized terms used herein, but not otherwise defined, have the meaning given them in the Declaration.

ARTICLE II
OFFICE AND REGISTERED AGENT

The registered office and registered agent of the Association shall be as designated from time to time by the appropriate filing by the Association with the Office of the Secretary of State of the State of Texas.

ARTICLE III
MEMBERS

Section 1. MEMBERSHIP IN THE ASSOCIATION. Every Owner (as defined in the Declaration) shall automatically be a Member of the Association and such membership shall terminate only as provided in the Declaration. For purposes of voting, there shall be two (2) classes of Members as set forth in the Declaration, Article III.

Section 2. VOTING RIGHTS.

(a) Each Owner of a Lot, with the exception of Declarant, shall be a Class A Member and shall be entitled to one (1) Class A vote per Lot. Where such Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the secretary of the Association, but in no event shall more than one vote be cast with respect to any such Lot.

(b) The Declarant shall be the sole Class B Member and shall be entitled to five (5) votes for each Lot owned; provided, that the Class B membership shall cease and

become converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership exceeds the total votes outstanding in the Class B membership; or

(b) on January 1, 2010.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interests required for membership under Section I not withstanding the foregoing, as long as the Developer holds any lots, the Developer shall have full veto power over any and all acts of the Association. Furthermore, these provisions shall apply to all phases of the development without regard to whether any phase of the development is up for sale.

Section 3. SUSPENSION OF MEMBERSHIP RIGHTS. The Board of Directors may suspend the voting rights of any Member and the right of enjoyment of the Common Properties and Facilities of any person who:

(a) shall be in violation or breach of either the Declaration or any standard of the Architectural Control Committee within thirty (30) days after having received written notice of the same pursuant to the provisions of the Declaration and these Bylaws;

(b) shall be delinquent in the payment of any Assessment levied by the Association; or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Properties and Facilities.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 3, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

Section 4. TERMINATION OF MEMBERSHIP. Membership shall cease only when a person ceases to be an Owner.

ARTICLE IV
MEETINGS OF MEMBERS

Section 1. MEETINGS. All meetings of Members for any purpose shall be held at such times and places, within or without the State of Texas, as shall be stated in the notices of the meetings or in executed waivers of notice thereof.

Section 2. ANNUAL MEETINGS. Commencing with the year 2002, the annual meeting of Members shall be held at such place as the President, or the Vice-President in the absence of the President, may designate, on the last Monday of the second month following the month in which the Association's fiscal year ends (or, if a holiday, on the first business day thereafter), at 7:00 p.m., or at such other date and time as shall be designated from time to time by the Board of Directors and stated in such notice of meeting, at which meeting directors shall be elected for the next year and such other business transacted as may properly come before said meeting.

Section 3. SPECIAL MEETINGS. Special meetings of the Members, for any purpose or purposes, may be called at any time by the President, Vice President, a majority of the Board of Directors or upon a petition signed by at least one-tenth (1/10th) of the total votes to be cast at such meeting. Only business within the purpose or purposes described in the notice required by Section 5 of this Article may be conducted at a special meeting of the Members.

Section 4. FIXING RECORD DATE. Only persons in whose names a Lot is owned according to records of the Association thirty (30) days before any meeting of the Members shall be entitled to notice of or to vote at such meeting.

Whenever action by Members is proposed to be taken by consent in writing without a meeting of Members, the Board of Directors may fix a record date for the purpose of determining Members entitled to consent to that action, which record date shall neither precede nor be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors; provided, however, that the Board of Directors may not so fix a record date if a record date shall have previously been fixed or determined pursuant to the provisions of this paragraph below. If no record date has been fixed by the Board of Directors and the prior action of the Board of Directors is not required by the Texas Business Association Act, the record date for determining Members entitled to consent to action in writing without a meeting shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Association by delivery to its registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent of the Association having custody of the books in which proceedings of meetings of Members are recorded. Delivery shall be by hand or by certified or registered mail, return receipt requested. Delivery to the Association's principal place of business shall be addressed to the President or the principal executive officer of the Association. If no record date shall have been fixed by the Board of Directors and prior action of the Board of Directors is required by the Texas Business Association Act, the record date for determining Members entitled to consent to action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts a resolution taking such prior action.

Section 5. NOTICE OF MEMBERS' MEETINGS. Written or printed notice stating the place, day and hour of each meeting of Members, and in the case of a special meeting (or if otherwise required by law), the purpose or purposes for which it is called, shall be delivered (unless otherwise required by law) not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the

Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at such meeting.

Any notice required to be given to any Member, under any provision of the Texas Business Association Act, or the Articles of Incorporation of this Association or these Bylaws, need not be given to the Member if (i) notice of two consecutive annual meetings and all notices of meetings held during the period between those annual meetings, if any or (ii) all (but in no event less than two) payments (if sent by first class mail) of distributions or interest on securities during a twelve-month period, have been mailed to that person, addressed at his address as shown on the records of the Association, and have been returned undeliverable. If such a person delivers to the Association a written notice setting forth his then current address, the requirement that notice be given to that person shall be reinstated.

Section 6. VOTING LIST. The Secretary of the Association shall make, at least ten (10) days before every meeting of Members, a complete list of the Members entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, and showing the address of each Member and the number of shares held by each Member. Such list shall be kept on file at the registered office or the principal place of business of the Association and shall be subject to the inspection of any Member during usual business hours, for a period of at least ten (10) days prior to the meeting. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and may be inspected by any Member. The original stock transfer books shall be prima facie evidence as to who are the Members entitled to examine such list or transfer books or to vote at any meeting of the Members.

Section 7. VOTING. At any meeting of Members and at each election for directors every Member is entitled to vote as set forth in the Declaration and these Bylaws.

At any meeting of Members, a Member having the right to vote may vote either in person or by proxy executed in writing by the Member. A telegram, telex, cablegram, or similar transmission by the Member, or photographic, photostatic, facsimile, or similar reproduction of a writing executed by the Member, shall be treated as an execution in writing for purposes of this Section. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

Any vote may be taken by voice or show of hands unless a Member entitled to vote, either in person or by proxy, objects, in which case written ballots shall be used.

Section 8. QUORUM. The holders of thirty percent (30%) of the total votes entitled to be cast at any meeting, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of Members except as otherwise provided by law or by the Articles of Incorporation.

If a quorum is present at a meeting of Members, the Members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any Member or the refusal

of any Member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting, except as may otherwise be provided by the Articles of Incorporation or by these Bylaws.

If, however, a quorum shall not be present or represented at a meeting of the Members, the holders of a majority of the votes represented in person or by proxy and entitled to vote shall have the power, unless otherwise provided in the Articles of Incorporation or these Bylaws, to adjourn the meeting from time to time and to such place, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. MAJORITY/PLURALITY VOTE. When a quorum is present at any meeting of Members, the act of the Members relative to any matter (except in cases where a different vote is required by express provision of law, the Articles of Incorporation or these Bylaws, in which cases such express provision shall govern and control the decision of such matters) shall be decided by the affirmative vote of the holders of a majority of the votes entitled to be cast on that matter and represented in person or by proxy at the meeting.

Section 10. ACTION BY MEMBERS WITHOUT MEETING. Any action required to be taken at an annual or special meeting of Members of the Association, or any action which may be taken at an annual or special meeting of Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by all 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. The consent may be in more than one counterpart so long as each Member signs one of the counterparts.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Articles of Incorporation, subject to the provisions required or permitted by law and these Bylaws for notice of meetings, Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V
DIRECTORS

Section 1. BOARD OF DIRECTORS; POWERS. The powers of the Association shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors who may exercise all such powers of the Association and do all such lawful acts and things as are not by law, by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the Members.

In the discharge of any duty imposed or power conferred upon a Director of the Association, including as a member of a committee, the Director may in good faith and ordinary care rely upon the statements, valuations or information referred to in Article 1396-2.28 of the Texas Non-Profit Corporation Act or upon other information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person, that were prepared or presented by (i) one or more officers or employees of the Association, (ii) legal counsel, public accountants, investment bankers, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence, or (iii) a committee of the Board of Directors of which the Director is not a member. A Director is not relying in good faith within the meaning of the preceding sentence if the Director has knowledge concerning the matter in question that makes reliance otherwise permitted by the above sentence unwarranted.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the Annual Assessment rate charge;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of any installment payments of the Annual Assessment;

(c) providing for the operation, care, upkeep, and maintenance of all the Common Properties and Facilities;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Properties and Facilities and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

(g) opening of bank accounts and/or banking-type accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Properties in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members; and

(l) keeping books with reasonably detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Members and bona-fide mortgagees, their respective duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Members; and

(m) filing all requisite forms, documents and information with taxing authorities; and

(n) permit utility suppliers to use portions of the Common Properties reasonably necessary to the ongoing development or operation of the Common Properties and Facilities.

Section 2. NUMBER OF DIRECTORS; ELECTION; TERM; QUALIFICATION. The initial Board of Directors shall consist of three (3) Directors elected by the Class B Member. However, beginning with the annual meeting of the Members of the Association when the Class A Members outvote the Class B Members and continuing thereafter, the Board shall be elected by the Members. Thereafter, the number of Directors to be elected shall be fixed and determined by resolution adopted by the Board of Directors or Members from time to time or at the annual meeting; provided, however, the number of the Directors shall not be less than three (3). The number of Directors may be increased or decreased from time to time as provided in these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent Director.

The Directors shall be elected in accordance with the provisions of Sections 7 and 9 of Article IV of these Bylaws at each annual meeting of the Members, except as provided in Section 3 of this Article V, and each Director elected shall hold office until the next succeeding annual meeting of Members and until his successor is elected and qualified or until his earlier death, resignation, retirement, disqualification or removal.

During the development period, Directors need not be residents of the State of Texas nor Members of the Association. Except as provided herein, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time.

Section 3. VACANCIES AND NEWLY CREATED DIRECTORSHIPS. Vacancies occurring on the Board of Directors may be filled by election at an annual or special meeting of Members called for that purpose, or by a majority of the remaining Directors, though less than a quorum. A Director elected to fill the vacancy shall be elected for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of any increase in the number of Directors may be filled by election at an annual or special meeting of Members called for that purpose, or by the Board of Directors for a term of office continuing only until the next election of one or more Directors by the Members, provided that the Board of Directors may not fill more than two such directorships during the period between any two successive annual meetings of Members.

Section 4. REMOVAL OF DIRECTORS. Except to the extent limited by law, the Articles of Incorporation or these Bylaws, at any meeting of Members called expressly for that purpose, any Director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of votes entitled to be cast at an election of Directors.

Section 5. MEETINGS. The Board of Directors of the Association may hold meetings, both regular and special, within or without the State of Texas.

Section 6. FIRST MEETING. The first meeting of each newly elected Board of Directors shall be held without further notice immediately following the annual meeting of Members, and at the same place, unless by the unanimous consent of the Directors, then elected and serving, such time or place shall be changed.

Section 7. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held, with or without notice, at such time and place as shall from time to time be determined by the Board of Directors.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President on not less than three (3) hours notice to each Director. Special meetings shall be called by the President or Secretary in like manner and on like notice at the written request of any two of the Directors.

Unless otherwise required by law, the Articles of Incorporation or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 9. QUORUM; MAJORITY VOTE. At all meetings of the Board of Directors, a majority of the number of Directors fixed in the manner provided in these Bylaws shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 10. CONSENT OF DIRECTORS. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or the committee, as the case may be, execute a written consent setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote at a meeting. The consent may be in more than one counterpart so long as each director signs one of the counterparts.

Section 11. TELEPHONIC MEETING. Unless otherwise restricted by the Articles of Incorporation, subject to the provisions required or permitted by law or these Bylaws for notice of meetings, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in and hold a meeting of the Board of Directors, or such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 12. COMMITTEES. The Board of Directors may, by resolution adopted by a majority of the whole Board, from time to time designate from among the members of the Board of Directors one or more committees. Such committees may have and exercise the authority of the Board of Directors in the management of the Association to the extent designated in the resolution. Each committee shall consist of one or more members of the Board of Directors who are a majority of the members of the committee. Other committees not having and exercising the authority of the Board of Directors in the management of the Association may, but need not, be limited to members of the Board of Directors. The Board of Directors may designate one or more of its members as alternate members of any committee, who may, subject to limitations imposed by the Board of Directors, replace absent or disqualified members at any meeting of that committee.

Except as limited by law, the Articles of Incorporation, these Bylaws or the resolution establishing such committee, each committee shall have and may exercise all of the authority of the Board of Directors as the Board of Directors may determine and specify in the respective resolutions appointing each such committee. The designation of any committee and the delegation of any authority to the committee shall not operate to relieve the Board of Directors, or any member of the Board of Directors, of any responsibility imposed by law.

A majority of all the members of any such committee may fix the time and place of its meetings, unless the Board of Directors shall otherwise provide, and meetings of any committee may be held upon such notice, or without notice, as shall from time to time be determined by the member of any such committee.

At all meetings of any committee, a majority of its members shall constitute a quorum for the transaction of business, and the act of a majority of the members present shall be the act of any such committee, unless otherwise specifically provided by law, the Articles of Incorporation, these Bylaws or the resolution establishing such committee. The Board of Directors shall have power at

any time, subject as aforesaid, to change the number and members of any such committee, to fill vacancies and to discharge any such committee.

Section 13. ARCHITECTURAL CONTROL COMMITTEE. Notwithstanding any conflicting provisions in Article V Section 12, above, the Board of Directors shall establish an Architectural Control Committee in accordance with Article VII of the Declaration.

Section 14. COMPENSATION OF DIRECTORS. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor. Members of committees may be allowed like compensation for attending committee meetings.

Section 15. RESIGNATION. Any Director may resign at any time by written notice to the Association. Any such resignation shall take effect at the date of receipt of such notice or at such other time as may be specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director who does not, for any reason, stand for election at any meeting of Members called for such purpose shall be conclusively deemed to have resigned, effective as of the date of such meeting, for all purposes, and the Association need not receive any written notice to evidence such resignation.

Section 16. OPEN MEETINGS. All meetings of the Board of Directors shall to the extent possible be open to all Members, but Members other than Directors may not participate in any discussion or deliberation except as follows in accordance with a format approved by the Directors from time to time.

ARTICLE VI
NOTICES

Section 1. METHOD OF NOTICE. Whenever by law, the Articles of Incorporation, or these Bylaws, notice is required to be given to any committee member, Director, or Member, it shall not be construed to mean personal notice, but any such notice may be given (i) in writing, by mail, postage prepaid, addressed to such member, Director or Member at his address as it appears in the records of the Association, or (ii) by any other method permitted by law (including, but not limited to, by telegram, telex, cablegram and, in the case of Directors, by telephone). Any notice required or permitted to be given by mail shall be deemed to be delivered and given at the time when the same is deposited in the United States mail as aforesaid. Any notice required or permitted to be given by telegram, telex or cablegram shall be deemed to be delivered and given at the time transmitted with all charges prepaid and addressed as aforesaid.

Section 2. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of law, of the Articles of Incorporation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the

express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII
OFFICERS

Section 1. OFFICERS. The officers of the Association shall be chosen by the Board of Directors and shall consist of a President and a Secretary, and may consist of such other officers and agents as the Board of Directors may deem necessary, including an Assistant President, one or more Vice Presidents (and, in the case of each Vice President, with such descriptive title, if any, as the Board of Directors shall determine), a Treasurer, a Controller, and one or more Assistant Secretaries and Assistant Treasurers. Two or more offices may be held by the same person, except for the offices of President and Secretary.

In the discharge of any duty imposed or power conferred upon an officer of the Association, the officer may in good faith and ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person, that were prepared or presented by (i) one or more other officers or employees of the Association including members of the Board of Directors or (ii) legal counsel, public accountants, investment bankers, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer is not relying in good faith within the meaning of the preceding sentence if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by the above sentence unwarranted.

No officer shall execute, acknowledge, verify or countersign any instrument on behalf of the Association in more than one capacity, if such instrument is required by law, the Articles of Incorporation, these Bylaws or any act of the Association to be executed, acknowledged, verified or countersigned by two or more officers.

None of the officers need be a Director or a Member of the Association.

Section 2. ELECTION. Without limiting the right of the Board of Directors to choose officers of the Association at any time when vacancies occur or when the number of officers is increased, the Board of Directors, at its first regular meeting after each annual meeting of Members or as soon thereafter as conveniently practicable, shall elect the officers of the Association and such agents as the Board of Directors shall deem necessary or desirable.

Section 3. TERM; REMOVAL; RESIGNATION; VACANCIES; COMPENSATION. The officers of the Association shall hold office until their successors are elected or appointed and qualified, or until their earlier death, resignation, retirement, disqualification or removal. Any officer or agent elected or appointed by the Board of Directors may be removed at any time with or without cause by the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Association shall be served thereby, but any such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any officer may resign at any time by giving written notice to the Association. Any such resignation shall take effect at the date of the receipt of such notice or at such other time specified therein, and unless

otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Election or appointment of an officer or agent shall not of itself create contract rights. Any vacancy occurring in any office of the Association may be filled by the Board of Directors for the unexpired portion of the term.

The compensation of all officers and agents of the Association shall be fixed from time to time by the Board of Directors or pursuant to its direction. No officer shall be prevented from receiving such compensation by reason of his also being a Director.

Section 4. PRESIDENT. The President shall be the chief operating officer and chief executive officer of the Association and, subject to the direction of the Board of Directors, shall have and exercise direct charge of and general supervision over the business affairs and employees of the Association and have general and active management of the business of the Association. He shall also have such other authority and perform such other duties as may be prescribed from time to time by the Board of Directors or these Bylaws. The President shall also preside at all meetings of Members and of the Board of Directors and see that all orders and resolutions of the Board of Directors are carried into effect.

Section 5. VICE PRESIDENTS. Vice Presidents shall have such authority and perform such duties as may be delegated, permitted or assigned from time to time by the President or the Board of Directors and, in the event of the absence, unavailability or disability of the President, or in the event of his inability or refusal to act, shall, in the order of their seniority, perform the duties and have the authority and exercise the powers of the President, unless otherwise determined by the Board of Directors.

Section 6. CONTROLLER. If a Controller is appointed, the Controller shall have charge of the Association's books of account, records and auditing.

Section 7. SECRETARY AND ASSISTANT SECRETARIES. The Secretary shall have the duty of recording the proceedings of the meetings of Members and Board of Directors in a minute book to be kept for that purpose and shall perform all like duties for any committees. The Secretary shall give or cause to be given notice, as required by these Bylaws or by law, of all meetings of the Members and all meetings of the Board of Directors and shall perform such other duties as may be prescribed by these Bylaws or by the Board of Directors or President, under whose supervision the Secretary shall serve. The Secretary, or an Assistant Secretary, shall have safe custody of the seal of the Association and the Secretary, or an Assistant Secretary, when authorized and directed by the Board of Directors, shall affix the same to any instrument requiring it and when so affixed, it shall be attested by his signature or by the signature of an Assistant Secretary or of the Treasurer or an Assistant Treasurer. The Secretary also shall perform such other duties and have such other powers as may be permitted by law or as the Board of Directors or the President may from time to time prescribe or authorize.

The Assistant Secretary, if any, in the order of their seniority, unless otherwise determined by the Board of Directors shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other

powers as may be permitted by law or as the Board of Directors or the President may from time to time prescribe, authorize or delegate.

In the absence of the Secretary or an Assistant Secretary, the minutes of all meetings of the Board of Directors and of Members shall be recorded by such person as shall be designated by the Board of Directors.

Section 8. TREASURER AND ASSISTANT TREASURERS. If a Treasurer is designated as an officer of the Association by the Board of Directors, the Treasurer shall have the custody of the corporate funds and securities and shall keep, or cause to be kept, full and accurate accounts and records of receipts and disbursements and other transactions in books belonging to the Association and shall deposit, or see to the deposit of, all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by or under the authority of the Board of Directors. The Treasurer shall: (i) endorse or cause to be endorsed in the name of the Association for collection the bills, notes, checks or other negotiable instruments received by the Association; (ii) sign or cause to be signed all checks issued by the Association; and (iii) pay out or cause to be paid out money as the Association may require, taking vouchers therefor. In addition, he shall perform such other duties as may be permitted by law or as the Board of Directors or the President may from time to time prescribe, authorize or delegate. The Board of Directors may by resolution delegate, with or without power to re-delegate, any or all of the foregoing duties of the Treasurer to other officers, employees or agents of the Association, and to provide that other officers, employees and agents shall have the power to sign checks, vouchers, orders or other instruments on behalf of the Association. The Treasurer shall render to the Board of Directors, whenever they may require it, an account of his transactions as Treasurer and of the financial condition of the Association. If required by the Board of Directors, he shall give the Association a bond of such type, character and amount as the Board of Directors may require.

If a Treasurer is not designated as an officer of the Association, the functions of the Treasurer shall be performed by the President, the Secretary or such other officer or officers of the Association as shall be designated by the Board of Directors at any time or from time to time.

The Assistant Treasurers, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as may be permitted by law or as the Board of Directors or the President may from time to time prescribe, authorize or delegate. If required by the Board of Directors, the Assistant Treasurers shall give the Association a bond of such type, character and amount as the Board of Directors may require.

ARTICLE VIII
INDEMNIFICATION; INSURANCE

Section 1. EXTENT OF INDEMNIFICATION. The Association shall indemnify and advance expenses to any person who (i) is or was a Director, officer, committee member, employee, or agent of the Association or (ii) serves or has served at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary

of another foreign or domestic Association, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, to the fullest extent that a Association may or is required to grant indemnification to a director under the Texas Business Association Act; notwithstanding the foregoing, however, the Association may indemnify and advance expenses to an officer, committee member, employee or agent, or any person who is identified in (ii) of the first clause of this Article VIII and who is not a Director to such further extent, consistent with law, as may be provided by the Association's Articles of Incorporation, these Bylaws, general or specific action of the Board of Directors, or by contract, or as otherwise permitted or required by common law.

Section 2. INSURANCE. The Association may purchase and maintain insurance or make other arrangements, at its expense, to protect itself and any such Director, officer, employee, agent or person as specified in Section 1 of this Article VIII, against any such expense, liability or loss, whether or not the Association would have the power to indemnify him against such expense, liability or loss under the Texas Business Association Act.

ARTICLE IX
GENERAL PROVISIONS

Section 1. CONTRACTS. Subject to the provisions of Article IX, the Board of Directors may authorize any officer, officers, agent or agents to enter into any contract or agreement of any nature whatsoever, including, without limitation, any contract, deed, bond, mortgage, guaranty, deed of trust, security agreement, pledge agreement, act of pledge, collateral mortgage, collateral chattel mortgage or any other document or instrument of any nature whatsoever, and to execute and deliver any such contract, agreement, document or other instrument of any nature whatsoever for and in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. ANNUAL STATEMENT. On request, the Board of Directors shall present at each annual meeting, and at any special meeting of the Members, a full and clear statement of the business and condition of the Association.

Section 3. DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. BOOKS AND RECORDS. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors and each committee, shall keep at its registered office or principal place of business, a record of the identity, address and phone number of each Owner of each Lot, as noticed to the Association by each Owner. Any books, records, minutes and Lot ownership records may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 5. CHECKS. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 6. FISCAL YEAR. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 7. SEAL. The corporate seal shall be in such form as may be prescribed by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE X
BYLAWS

Section 1. AMENDMENT, ALTERATION AND REPEAL OF BYLAWS. The power to alter, amend, or repeal these Bylaws or adopt new Bylaws, subject to repeal or change by action of the Members, shall be vested in the Board of Directors unless reserved to the Members by law or the Articles of Incorporation. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted, subject to repeal or change by action of the Members, at any regular or special meeting of the Board of Directors, without prior notice, by resolution adopted thereat.

Section 2. CONSTRUCTION. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and the converse. If any portion of these Bylaws shall be invalid or inoperative, then, so far is reasonable and possible:

(a) The remainder of these Bylaws shall be considered valid and operative, and

(b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 3. HEADINGS. The headings are for organization, convenience and clarity. In interpreting these Bylaws, the headings shall be subordinated in importance to the other written material.

Adopted effective December 9, 2004.