

BYLAWS
OF
CYPRESS VILLAGE
PROPERTY OWNERS ASSOCIATION, INC.

(A Nonprofit Corporation Under the Laws of the State of Texas)

ARTICLE I

Introduction

Section 1. Name. The name of the corporation is Cypress Village Property Owners Association, Inc. (the "Master Association"). The principal office of the Master Association shall be located at 1625 Corniche Street, League City, Texas 77573, or such other place as the Board of Directors may determine from time to time. The Master Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Master Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

Section 2. Applicability. The provisions of these Bylaws are applicable to the development known as Cypress Village located in the City of Pearland, Brazoria County, Texas, according to the Plats thereof recorded in the plat records under Volume 23, Page 327 through 330 and as amended under Volume 24, Page 164 and 165 and Volume 24, Page 236 through 237 of Brazoria County, Texas.

Section 3. Effect. All present and future Members, residents of Cypress Village and all other persons entitled to use any of the Common Areas of Cypress Village in any manner are subject to the regulations set forth in these Bylaws and in the Declaration of Covenants, Conditions and Restrictions for Cypress Village (the "Declaration") recorded under Clerk's File No.2004018902 in the Official Public Records of Brazoria County, Texas as subsequently amended or supplemented.

The acquisition of membership in the Master Association, the acquisition or rental of any Unit or Lot or the occupancy of any such Unit or Lot shall mean that the provisions of these Bylaws and the Declaration are accepted, ratified and will be observed to the extent applicable.

Section 4. Terms. All of the terms utilized herein shall have the meanings ascribed to them in the Declaration.

ARTICLE II

Membership, Voting Rights, Quorum & Proxies

Section 1. Membership. Membership and voting rights in the Master Association are set forth in Articles V and VI of the Articles of Incorporation and in Article VII of the Declaration. The rights of membership are subject to the payment of annual and special assessments and charges levied by the Master Association and such membership rights of any Member whose Lot or Unit is subject to such assessments may be suspended by action of the Board of Directors during the period when such assessments remain unpaid in excess of thirty (30) days. Such suspension shall include and extend to the rights of every tenant of such Member, each individual residing with such Member or tenant on such Member's Lot; however, upon payment of such assessments, such rights and privileges shall be automatically restored. If at any time the Board of Directors shall have adopted and published rules and regulations governing the use of the Common Areas and the personal conduct of Members and every tenant of every Member, and each individual who resides with either of them or who is a guest of either of them, respectively, may, in their discretion, for such violation of such rules and regulations, suspend such rights, such suspension to continue for a period not to exceed sixty (60) days.

Section 2. Majority of Quorum. Unless a higher percentage is expressly required in these Bylaws, or in the Articles of Incorporation or the Declaration, or any amendment or supplement thereto, any action that is required to be taken by the Members of the Master Association may be so taken by a majority vote of a quorum of the Members of the Master Association.

Section 3. Quorum. Except as otherwise provided in these Bylaws, the Articles of Incorporation or the Declaration, the presence in person or by proxy of at least fifty percent (50%) of the Members of the Master Association who are Members in good standing shall constitute a quorum of the Members. Such Members present at a duly called or held meeting at which a quorum thereof is present may continue to accomplish the business of the meeting until adjournment, notwithstanding the withdrawal during the meeting of enough Members to leave less than such quorum. In the event, however, the required quorum is never present, the meeting may be rescheduled subject to the notice requirements set forth herein.

Section 4. Proxies. Votes of Members may be cast in person or by proxy. Proxies may be in writing and shall be filed with the Secretary of the Master Association before the appointed time of each meeting. Every proxy shall be

revocable, but shall continue as valid until so revoked or until it terminates. No proxy shall be valid after eleven (11) months from the date of its execution.

ARTICLE III

Administration

Section 1. Master Association Responsibilities. The Master Association shall have the responsibility for administering the Common Areas; approving the annual budgets; establishing and collecting all maintenance charges, special maintenance charges and specific maintenance charges; enforcing applicable rules and regulations; and performing all other obligations of the Master Association hereunder or under the Declaration, including, but not limited to, arranging for the management of the Common Areas pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of a manager thereof.

Section 2. Place of Meeting of Members. Meetings of the Members shall be held within Cypress Village community or such other suitable place as close thereto as practicable in Brazoria County, Texas, as may be designated by the Board of Directors.

Section 3. Annual Meeting of Members. The annual meetings of the Members shall be held on the third Wednesday of February each year or on such other date in February of each year as determined by the Board of Directors. The Members may transact such business of the Master Association as may properly come before the meeting.

Section 4. Special Meeting of Members. Special meetings of the Members may be called at any time by a majority of a quorum of the Board of Directors or upon written request signed by Ten (10) Members in good standing. The notice of any 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 5. Notice of Meetings of Members. It shall be the duty of the Secretary of the Master Association to mail a notice of each annual and special meeting of Members, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member at least ten (10) but not more than sixty (60) days prior to such annual meeting, and at least ten (10) days prior to special meetings. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served. If no address has been furnished the Secretary, notice shall be deemed to have been given to a Member other than Developer if posted in a conspicuous place within the

Common Areas.

Section 6. Adjourned Meetings. If any meeting of the Membership cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days, nor more than Thirty (30) days, from the time the original meeting was called. Such adjourned meetings may be held only upon a new notice thereof as provided in this Article, except that notice shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 7. Order of Business. The order of business at all meetings of the Membership shall, unless waived, be as follows: (a) a roll call to determine the Members in good standing present at the meeting; (b) proof of waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business. Meetings of Members shall be conducted by the officers of the Master Association, in order of their priority.

Section 8. Action Without Meeting. Any action which under the provisions of Texas law may be taken at a meeting of the Members may be taken without a meeting if authorized in writing by the Members entitled to cast the requisite number of votes that would be required to approve the action and if thereafter filed with the Secretary of the Master Association.

Section 9. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given. Whenever any notice is required to be given under the provisions of the statutes or of the articles of incorporation or of 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 any Member at a meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE IV

Board of Directors

Section 1. Number and Qualification. The property, business and affairs of the Master Association shall be governed and managed by a Board of Directors of not less than three (3) nor more than five (5) individuals, each of whom shall be at least eighteen (18) years of age. The number of directors shall be determined by resolution at the annual meeting of the Members. All directors shall be Members in good standing. Directors shall not receive any stated salary for their services as directors; provided, however, (a) nothing herein contained shall be construed to preclude any director from serving the Master Association in some capacity and receiving compensation therefor, and (b) any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 2. Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs, activities and properties of the Master Association and may take all such acts and do such things which are not required to be exercised and done exclusively by the Members pursuant to law, the Declaration, the Articles of Incorporation or by these Bylaws.

Section 3. Special Powers and Duties. Without prejudice to the foregoing general powers and duties and such powers and duties as set forth in the Articles of Incorporation and the Declaration, the Board of Directors is vested with and responsible for the following powers and duties:

- (a) To select, appoint and remove all officers, agents and employees of the Master Association; to prescribe such powers and duties for them as may be consistent with law, the Declaration, the Articles of Incorporation, and these Bylaws; to fix their compensation, if any; and to require from them security for faithful service when deemed advisable by the Board.
- (b) To conduct, manage and control the affairs and business of the Master Association, and to make and enforce such rules and regulations therefor consistent with law, with the Declaration, the Articles of Incorporation and these Bylaws as the Board may deem necessary or advisable.
- (c) To change the principal office for the transaction of the business of the Master Association; to designate the place for the holding of any annual or special meeting of Members consistent with the provisions hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of Law.
- (d) Subject to the terms and conditions set forth in the Declaration, to borrow money and to incur indebtedness for the purposes of the Master Association and to cause to be executed and delivered therefor, in the Master Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and security therefor.

(e) To fix, levy and collect from time to time the maintenance charges, special maintenance charges and capital improvement maintenance charges set forth in the Declaration and to determine and fix the due date for the payment of such maintenance charges, special maintenance charges and capital improvement maintenance charges and the date upon which the same shall become delinquent. Should any Member fail to pay such maintenance charges, special maintenance charges or capital improvement maintenance charges before delinquency, the Board of Directors in its sole discretion is authorized to enforce the payment of such delinquent charges as hereinafter provided and as provided in the Articles of Incorporation and the Declaration.

(f) To enforce the provisions of the Articles of Incorporation, the Declaration, these Bylaws, applicable rules and regulations and other agreements of the Master Association.

(g) To contract and pay for fire, casualty, flood, errors and omissions, blanket liability, malicious mischief, vandalism and other insurance, insuring the Members, the Master Association, the Board of Directors and other interested parties, covering and protecting against such damages or injuries as the Board deems advisable, which may include, without limitation, medical expenses of persons injured on the Common Areas and to bond the agents and employees of any management body, if deemed advisable by the Board. The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Master Association.

(h) To contract and pay for maintenance, repairs, gardening, utilities, materials, supplies and services relating to the Common Areas and the Master Association, including, without limitation, all legal and accounting services, and to contract for and pay for improvements to the Common Areas. In case of damage by fire or other casualty to the Common Areas, if insurance proceeds exceed Twenty Thousand Dollars (\$20,000.00) or the cost of repairing or rebuilding exceeds available insurance proceeds by more than Twenty Thousand Dollars (\$20,000.00), then, the Board of Directors shall obtain firm bids from two (2) or more responsible contractors to rebuild any portion of the Common Areas in accordance with the original plans and specifications with respect thereto or in accordance with new plans and specifications duly approved.

(i) To delegate its powers according to law.

(j) To grant easements where necessary for utilities, drainage, sewer facilities, cable television and other services over the Common Areas.

(k) To adopt such reasonable rules and regulations as the Board may deem necessary for the management of the Common Areas, which rules and regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written

consent of a majority of the directors attached to a copy of the rules and regulations of the Master Association and (2) they are posted in a conspicuous location on the Common Areas. Such rules and regulations may concern, without limitation, use of the Common Areas, including signs and parking restrictions relating to the Common Areas; and any other matters within the jurisdiction of the Master Association as provided in the Declaration; provided, however, that such rules and regulations shall be enforceable only to the extent that they are consistent with the Declaration, Articles of Incorporation and these Bylaws.

(l) To sue and be sued and appear and defend in all actions and proceedings, whether judicial, administrative or otherwise, in its corporate name, and to institute actions and proceedings on behalf of the Members of the Master Association.

(m) To suspend the voting rights and right to use of the Common Areas of a Member (including those of a tenant of such Member, any persons residing with such Member as tenant and any guest of such Member or tenant) during any period in which such Member shall be in default in excess of thirty (30) days in the payment of any assessment levied by the Master Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

Section 4. Manager. At its discretion, the Board of Directors is authorized to contract with a manager or management company to manage the Common Areas and the affairs of the Master Association and to perform such duties and services as the Board shall determine. The manager may be a Member of the Master Association.

Section 5. Election and Term of Office. Each director shall serve a term of two (2) years, except that a majority less one of the directors elected at the 2006 annual meeting shall be elected to one (1) year term with their successors to be elected to a two (2) year term at the next annual meeting. Directors may serve a maximum of two (2) consecutive terms. Directors shall be elected annually at the annual meeting of the Membership. Election to the Board of Directors shall be by secret written ballot. Each Member in good standing shall be entitled to cast votes for the election of directors in accordance with the voting rights set forth in the Declaration. The person receiving the largest number of votes for each director's position shall be elected. Cumulative voting is not permitted.

Section 6. Books; Summary. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the Master Association in a manner consistent with generally accepted accounting principles of and at no greater than annual intervals shall obtain an audit (which need not be certified) made available to Members within ninety (90) days after the completion of such audit.

Section 7. Vacancies. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, his successor shall be elected by a majority of the remaining directors, even if less than a quorum. Any such director shall serve only the unexpired term of his predecessor, unless such appointee sooner dies, resigns, is removed or is incapacitated or otherwise unable to serve.

Section 8. Removal. Any director, or the entire Board of Directors, may be removed with cause at any meeting called expressly for such purpose by a majority vote of the votes entitled to be cast by a quorum of the Members who are Members in good standing of the Master Association.

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be open to the Members (who shall be recognized or entitled to participate at the discretion of the Board) and may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the directors; provided, however, that such meeting shall be held no less frequently than annually. A director shall be deemed present at any meeting for all purposes if a conference telephone or other similar communications device is utilized whereby all persons participating in the meeting can hear one another. Notice of regular meetings of the Board of Directors shall be given by the President or Secretary to each director, personally or by mail, telephone or telegraph at least seventy two (72) hours prior to the date named for such meeting and shall be posted at a prominent place or places within the Common Areas.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be open to the Members (who shall be recognized or entitled to participate at the discretion of the Board) and may be called by the President (or, if he is absent or refuses to act, by the Vice President) or by any director. At least seventy-two (72) hours notice shall be given by the President or Secretary to each director, personally or by mail, telephone or telegraph, which notice shall state the time, place and the purpose of the meeting, and shall be posted at a prominent place or places on the Common Areas. If served by mail, each such notice shall be sent, postage prepaid, to the address of the director reflected on the records of the Master Association and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such director as required by law and as provided herein.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such

waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice to him of the time and place thereof. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions, whenever held, shall be as valid as though at a meeting duly held after regular call and notice, if a quorum be present and, if, either before or after the meeting, each of the directors not present signed such written waiver of notice, a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Master Association or made a part of the minutes of the meeting.

Section 12. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. A director unable to attend a duly called meeting may give his proxy on known agenda items to a director who will be in attendance.

Section 13. Action Without Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the directors. Any action so approved shall have the same effect as though taken at a duly constituted meeting of the directors.

Section 14. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Master Association handling or responsible for Master Association funds, furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Master Association.

Section 15. Committees. The Board of Directors by resolution shall designate the following committee and establish the purposes and powers of such committee within forty-five (45) days after each annual meeting of the Members: Architectural Control Committee. The resolution shall provide for the appointment of the committee members, as well as a chairman, and shall state the purposes of the committee and shall provide for reports, termination and other administrative matters as deemed appropriate by the Board. In its discretion, the Board may, from time to time, likewise designate such other committees as it deems appropriate. Members of all committees must be Members in good standing at all times as determined by the Board.

ARTICLE V

Officers

Section 1. Designation. The principal officers of the Master Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary. The President and Vice President shall be elected from the membership of the Board of Directors. No two offices may be held by the same person except those of Secretary and Treasurer.

Section 2. Election of Officers. The officers of the Master Association shall be elected annually by the Board of Directors and each officer shall hold his office at the direction of the Board of Directors until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, with cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Master Association. Any such resignation shall take effect upon the date of receipt of such notice or at any later time specified herein, and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 4. Compensation. Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Directors. Appointment of any such officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent or employee.

Section 5. President. The President shall be the chief executive officer of the Master Association. He shall preside at all meetings of the Members of the Master Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Master Association. The President shall be ex officio a member of all standing committees and he shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled or refuses or is 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 to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or Bylaws.

Section 7. Secretary. The Secretary shall keep or cause to be kept the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Master Association at the principal office of the Master Association or such other place as the Board of Directors may order. The Secretary shall keep the seal of the Master Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Master Association and of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain a list of the Members of the Master Association, listing the names and addresses as furnished to the Master Association and such list shall be changed only at such time as satisfactory evidence of a change in membership is presented to the Secretary. The Secretary shall perform all such other duties as may be prescribed by the Board of Directors.

Section 8. Treasurer. The Treasurer shall have responsibility for Master Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and other records of business transactions of the Master Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Master Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Master Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall sign all checks on behalf of the Master Association. The Treasurer shall disburse the funds of the Master Association as may be ordered by the Board of Directors, shall render to the President and directors, upon request, an account of all of his transactions as Treasurer and of the financial condition of the Master Association and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 9. Other Officers. The Board of Directors may elect such other officers as it may deem desirable such as assistant secretaries and assistant treasurers, who shall hold the office for such period as the board may prescribe. Such officers may perform any of the duties or exercise any of the powers at the request and in the absence or disability of the respective office for which they are

an assistant thereof, or as otherwise directed by the board.

Section 10. Offices Held. Any two or more offices may be held by the same person except that the person holding the office of secretary shall not also hold the office of president.

ARTICLE VI

Obligations of Members

Section 1. Maintenance Charges.

(a) All Members are obligated to pay, in accordance with the provisions of the Master Association, all maintenance charges, special maintenance charges and capital improvement maintenance charges imposed by the Master Association to meet all expenses of the Master Association as more fully provided in these Bylaws and the Declaration. All such maintenance charges shall be allocated among the Members in the manner set forth in the Declaration.

(b) Annual maintenance charges are billed and payable semi-annually and are due on July 1 and January 1. Such billings shall become delinquent on August 1 and February 1, respectively.

(c) All delinquent maintenance charges shall be enforced and collected as follows:

In the event that maintenance charges are not paid within eight (8) weeks of the due date, the Master Association has the right to and may record a lien against the affected lot. Foreclosure proceedings in accordance with the Declaration may be initiated if assessments on any lot remain unpaid for two (2) consecutive periods. Late fees are assessed at the rate of Ten Dollars (\$10.00) per month per lot. Interest on unpaid maintenance charges shall accrue at the highest legal rate in the State of Texas.

Section 2. Special Maintenance Charges. Each Member shall reimburse the Master Association for any expenditure incurred in repairing or replacing any portion of the Common Areas owned by the Master Association that is damaged through the fault of such Member or his tenants, family, guests or agents. Such expenditures shall include all court costs and reasonable attorney's fees incurred in enforcing any provision of these Bylaws. All delinquent special maintenance charges for such expenditures shall be enforced, collected or foreclosed in the manner provided in the Declaration.

ARTICLE VII

Amendments to Bylaws

These Bylaws may be amended by the Board of Directors at a duly constituted meeting of the Board for such purpose. Amendments to these Bylaws shall be approved by a majority of the directors at a duly constituted regular or special meeting of the Board of Directors.

ARTICLE VIII

Conflicting Provisions

In case any of these Bylaws conflict with any provisions of laws of the State of Texas, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other provisions of these Bylaws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and Bylaws, the Articles of Incorporation shall control. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE IX

Miscellaneous

Section 1. Execution of Documents. The Board of Directors, except as in these Bylaws otherwise provided, may authorize its President, Vice President or any other officer to enter into any contract or execute any instrument in the name and on behalf of the Master Association.

Section 2. Checks and Drafts. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Master Association shall be signed by such officer or officers, agent or agents of the Master Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the board, such instrument shall be signed by the treasurer and countersigned by the president or a vice president of the Master Association. All funds of the Master Association shall be deposited from time to time to the credit of the Master Association in such banks, trust companies or other depositories as the Board of Directors may from time to time designate, upon such terms and conditions as shall be fixed by the Board of Directors. The board may from time to time authorize the opening and keeping of general and special bank accounts with any such depository as it may designate, and may make such special rules and regulations with respect thereto as it may deem expedient and consistent with the provisions of these bylaws.

Section 3. Inspection of Bylaws. The Master Association shall keep in its principal office for the transaction of business, the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

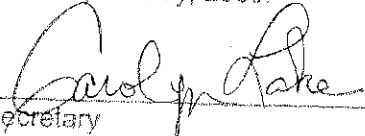
Section 4. Fiscal Year. The fiscal year of the Master Association shall run from January 1 to December 31, subject to change from time to time as the Board of Directors shall determine.

Section 5. Membership. The Master Association shall keep and maintain at its principal office for the transaction of business a membership book containing the name and address of each Member. Termination or transfer of membership shall be recorded together with the data on which such membership was transferred, in accordance with the provisions hereof.

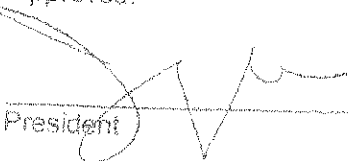
Section 6. Board of Directors. Unless specific actions are expressly required to be taken by the Members, all such actions may be taken by the Board of Directors through its proper officers with or without a specific authorization.

Section 7. Indemnification. The Master Association shall indemnify and advance reasonable expenses to directors, officers, employees and agents of the Master Association to the fullest extent required and permitted by Article 2.22A of the Texas Nonprofit Corporation Act, subject to the restrictions, if any, contained in the Master Association's articles of incorporation. The Master Association shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by Article 2.22A of the Texas Nonprofit Corporation Act.

WE HEREBY CERTIFY that the foregoing Bylaws of the Master Association were duly adopted by the Board of Directors of the Master Association on the 10th day of May, 2005.


Secretary

Approved:


President