

BYLAWS
OF
THE COURTYARD HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Name and Location

The name of the Corporation is THE COURTYARD HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located at 4408 Spicewood Springs Road, Austin, Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Travis, as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to THE COURTYARD HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Declaration"), and such additions thereto as may hereafter be brought within the jurisdiction of the Association in accordance with the provisions of the Declaration.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area

and shall also include any property added hereafter by Declarant in accordance with the Declaration.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to WESTOVER HILLS, INC., a Texas Corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties, which is recorded in Volume 6031, Page 1589, of the Deed Records of Travis County, Texas as said Declaration has been or shall subsequently be amended, supplemented or restated by Declarant, provisions of which are incorporated herein and expressly made a part hereof.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, three-tenths (3/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of her/his Lot.

Section 6. Action Taken Without a Meeting. The members shall have the right to take any action in the absence of a meeting which they could take at a

meeting by obtaining the written approval of all the members. Any action so approved shall have the same effect as though taken at a meeting of the members.

ARTICLE IV

Board of Directors-Section-Term of Office

Section 1. Number. The affairs of this Association shall initially be managed by a Board of three (3) directors, who need not be members of the Association. The Board shall be increased to five (5) directors whenever the total number of votes of Class A membership exceeds the total votes of Class B membership or at prior time by a majority vote of the Board of Directors.

Section 2. Term of Office. The directors shall each serve one year terms until the number of directors is increased to five (5) as set out below. After the number has been increased to five, at the first annual meeting and at each succeeding annual meeting in alternate years, the members shall elect three (3) directors for a term of two years; at the second annual meeting and at each succeeding annual meeting in alternate years the members shall elect two (2) directors for a term of two years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 4. Compensation. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 5. Action Taken Without a 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 written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chair, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be

fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is request in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

1. fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

3. foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time given written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one of the offices of the Association except in the case of special offices created pursuant to Section 4 of this Article and except that the same person may hold the offices of Secretary and Treasurer.

President

The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

The vice president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

ARTICLE IX

Committees

The Association shall appoint an Environmental Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The

Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

Assessments

"As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made." Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. "No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her Lot."

ARTICLE XII

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: THE COURTYARD HOMEOWNERS ASSOCIATION, INC.

ARTICLE XIII

Amendments

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or

by proxy, except that such action shall not be binding upon the Federal Housing Administration or the Veterans' Administration while there is Class B membership unless approved by both the FHA and the VA.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

Miscellaneous

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**AMENDMENT TO BYLAWS OF
THE COURTYARD HOMEOWNERS ASSOCIATION, INC.**

THE STATE OF TEXAS

COUNTY OF TRAVIS

WHEREAS, the Courtyard Homeowners Association, Inc. is subject to the restrictions according to the second restated Declaration of Covenants and Restrictions recorded in Volume 6598, Page 1046, Deed Records of Travis County, Texas (the "Declaration") and the Bylaws of the Courtyard Homeowners Association, Inc., and

WHEREAS, pursuant to Article XIII, Section 1, of the Bylaws of the Association allows the Association said Bylaws may be amended by approval of Owners representing a majority of a quorum at a regular or special meeting of the members by a vote of members present in person or by proxy, and

WHEREAS, the 1994 Board of Directors saw a need to require that all directors be members of the Association, and

WHEREAS, the 1994 Board of Directors saw a need for retaining more experienced members of the Board of Directors by increasing the term of office from two (2) years to three (3) years for each director, and

WHEREAS, the 1994 Board of Directors recommends that Board member elections be by acclamation when the number of nominations equals the number of vacancies;

NOW THEREFORE, be it resolved that the Bylaws be amended as follows:

Amendment

ARTICLE IV

Board of Directors-Section-Term of Office

Section 1. Number. The affairs of this Association shall initially be managed by a Board of ~~three (3)~~ seven (7) directors, who ~~need not~~ must be members of the Association. ~~The Board shall be increased to five (5) directors whenever the total number of votes of Class A membership exceeds the total votes of Class B membership or at prior time by a majority vote of the Board of Directors. Be it resolved that the Board of Directors will be~~

~~increased to seven (7) members. Three positions will serve two year terms and four positions will serve the same two year terms in alternate years.~~

Section 2. Term of Office. ~~The directors shall each serve one year terms until the number of directors is increased to five (5) as set out below. After the number has been increased to five, at the first annual meeting and at each succeeding annual meeting in alternate years, the members shall elect three (3) directors for a term of two years; at the second annual meeting and at each succeeding annual meeting in alternate years the members shall elect two (2) directors for a term of two years. At the February, 1995 Annual Meeting, four persons will be elected directors. If four persons are nominated, then two persons shall be nominated to serve two year terms and the other two persons shall be nominated to serve three year terms. If more than four persons are nominated, then the two persons receiving the largest and second largest number of votes shall serve as directors for three year terms expiring in February, 1998. The two persons receiving the third largest and fourth largest number of votes shall serve as directors for two year terms expiring at the annual meeting in February, 1997. At each annual meeting beginning with the February, 1996 annual meeting, persons elected as directors shall serve for three year terms.~~

ARTICLE V

Nomination and Election of Directors

The first sentence of Article V, Section 2 is amended as follows:

Section 2. Election Election to the Board of Directors shall be by acclamation if the number of nominations equals the number of vacancies or by secret written ballot if the number of nominations is greater than the number of vacancies.

This resolution supersedes all previous resolutions pertaining to this matter.

EXECUTED this _____ day of _____, 1995.

Courtyard Homeowners Association, Inc.

By: Wayne Walker, President

By: _____

Name: Wayne Walker

Title: President

STATE OF TEXAS

COUNTY OF TRAVIS

THIS instrument was acknowledged before me this ____ day of _____, 1995
by _____ of Courtyard Homeowners
Association, Inc. on behalf of said company.

Notary Public, State of Texas

AS PASSED 2/10/02

AMENDMENT TO ARTICLE VI

Article VI Section 2. Special Meetings:

Special meetings of the Board of Directors may be called by the President, or, if the President is absent or is unable or refused to act, by any Vice President or by two Directors. Written notice of the time, place and purpose of special meetings of the Board of Directors may be delivered personally to each Director's residence, or sent to each Director at his or her residence by United States Mail, Postage prepaid. Written notice of the time, place and purpose of special meetings of the Board of Directors may also be sent to a Director by electronic mail, or by facsimile if that Director has agreed in writing that notices of special meetings may be served using either electronic mail or facsimile, or both. The notices of special meetings must be served at least five (5) calendar days before the special meeting.

AS PASSED 2/10/02

AMENDMENT TO ARTICLE IX

COMMITTEES

The Board of Directors of the Association shall appoint an Environmental Control Committee as provided in Article XI, Section 2. of the Declarations. The board will also appoint a Nominating Committee as provided for in Article V of these Bylaws. These two committees are the Permanent Committees of the Board.

In addition, the Board of Directors shall appoint such Standing Committees and Special Committees as they may decide. All committee members serve at the pleasure of the Board of Directors and may be removed without notice and with or without cause, by the Board of Directors.

Standing Committees shall be those whose assigned generic tasks extend over a period of years. Once created these committees may only be terminated by Board action. The Board may modify the task assignment of these committees at its discretion.

Special Committees shall be those whose task is assigned for a specified period of time at the end of which they will, without action or the Board, cease to exist. They may be extended by separate Board action only.

Each Standing and Special Committee shall have its function and limitations prescribed by a published Board action. They will make monthly reports of their actions at called meetings. Committee actions have to be approved/disapproved by the Board.

Each committee shall select its own chair subject to approval by the Board.

Each committee will have a member of the Board assigned as a member of the committee. A Board member may serve on more than one committee.

Each committee will submit an annual budget to the Board of Directors.

AS PASSED 2/10/02

AMENDMENT TO ARTICLE X

BOOKS AND RECORDS

Except as provided below, any member, director, officer or committee member of the Association shall have the right to inspect and receive copies of all books and records required to be kept under the Bylaws. Privileged communications between the Association and its attorneys shall be subject only to inspection by current directors and officers. Any person desiring to inspect and/or copy books and records shall make written request. The written request shall be delivered to the President with a copy to the Secretary. Within three business days after receipt of the written request, the Association shall notify the person requesting inspection of the date, time and place for inspection. The Association shall designate a date for inspection which is not more than five business days after the request has been actually received. The inspection shall take place during normal business hours (8:00 a.m. to 5 p.m.) at the office of the Association's property manager. The Association shall be entitled to charge a reasonable copying charge which shall not exceed a reasonable copying charge equal to the prevailing rate being charged by the association's management company, which as for the calendar year 2002 shall not exceed \$.25 per copy. Books and records designated for copying during inspection shall be furnished within five business days after the Association has been paid the copying charge.