

**BYLAWS
OF
COTTON CROSSING OWNERS ASSOCIATION, INC.**

ARTICLE I

GENERAL

Cotton Crossing Owners Association, Inc. is the "Association" described in the Master Declaration of Covenants, Conditions and Restrictions pertaining to Cotton Crossing Subdivision in Comal County, Texas, recorded as Document No. 200006027066 of the Official Records of Comal County, Texas, and incorporated herein by reference for all purposes (such instrument and any amendments thereto being collectively referred to herein as the "Declaration"). The 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 control and govern.

ARTICLE II

NAME, DEFINITIONS, MEMBERSHIP AND VOTING RIGHTS

Section 1. Name. The name of the Association is Cotton Crossing Owners Association, Inc. (the "Association").

Section 2. Definitions. Certain words used in these Bylaws have the same meaning as set forth in the Declaration, some of which are set forth below, either in their entirety or in an abridged format:

"Architectural Review Committee" or "ARC" (the "Committee") means and refers to that particular committee which is described and explained within Article IV of the Declaration.

"Articles" means and refers to the Articles of Incorporation (and any amendments thereto and restatements thereof) of the Association on file in the Office of the Secretary of State of the State of Texas, Austin, Texas.

"Assessment" means the annual or any special assessment as provided in Article XIII of the Declaration.

"Board" means and refers to the Board of Directors of the Association.

"Bylaws" means and refers to the Bylaws of the Association, as adopted and amended from time to time in accordance with the provisions of the Texas Non-Profit Corporation Act and the Declaration.

"Common Area" means and refers to any and all areas of land defined in Article II of the Declaration, which are intended for or devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now or that may hereafter be constructed thereon.

"Declarant" means and refers to TOGA, LLC, its successors and assigns.

"Improvement" means any physical change to raw land or to an existing structure which alters the physical appearance, characteristics or properties of the land or structure, including but not limited to adding or removing square footage area space to or from a structure, painting or repainting a structure, or in any way altering the size, shape or physical appearance of any land or structure.

"Lot" means and refers to each separately numbered, identifiable portion of the Subdivision which is platted, filed and recorded in the office of the County Clerk of Comal County, Texas, and which is not intended to be a portion of the Common Area.

"Member" means and refers to each Owner who is in good standing with the Association and who has complied with all directives and requirements of the Association.

"Owner" means and refers to the holder(s) of record title to the fee simple interest of any Lot whether or not such holder(s) actually reside(s) on any part of the Lot. There may be only one Owner for each Lot.

"Structure" means and refers to: (i) any thing or device, other than trees, shrubbery (less than two feet high if in the form of a hedge) and landscaping (the placement of which upon any Lot must not adversely affect the appearance of such Lot) including any building, garage, porch, shed, greenhouse or bathhouse, cabana, covered or uncovered patio, swimming pool, play apparatus, fence, curbing, paving, wall or hedge more than two feet in height, signboard or other temporary or permanent living quarters or any temporary or permanent improvements to any Lot; (ii) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot; (iii) any enclosure or receptacle for the concealment, collection and/or disposition of refuse; and (iv) any change in the grade of any Lot of more than three (3) inches from that existing at the time of initial approval by the ARC.

"Subdivision" means and refers to Cotton Crossing Subdivision, in accordance with the map and plat thereof filed of record in the Map and Plat Records of Comal County, Texas, as well as any and all phases, additions, annexations, revisions, modifications, corrections or clarifications thereto.

Section 3. Membership. Each and every Owner of each and every Lot within the Subdivision is automatically, and must all times remain, a Member of the Association in good standing. The Association has eight classes of Members: Class A through and including Class H. Members in Class A through and including Class G include all Owners (other than the Declarant). The Class H Member is the Declarant. Class H membership terminates and converts to membership in Class A through and including Class G in accordance with the provisions of the Declaration.

Section 4. Voting Rights. There are eight (8) classes of voting Members as provided in Article XII of the Declaration, whose voting rights are as specified in Paragraph 12.02 of the Declaration.

Any Member will not be in "good standing" if such person or entity is: (a) in violation of any portion of the Declaration, or any rule or regulation promulgated by the Board; (b) delinquent in the full, complete and timely payment of any Assessment, or any other fee, charge or fine which is levied, payable or collectible pursuant to the provisions of the Declaration, these Bylaws or any rule or regulation promulgated by the Board. The Board may make such rules and regulations, consistent with the terms of the Declaration and these Bylaws, as it deems advisable for: any meeting of Members; proof of membership in the Association; the status of good standing; evidence of right to vote; the procedures for actual voting in person or by proxy; registration of Members for voting purposes; and such other matters concerning the conduct of meetings and voting as the Board deems fit.

ARTICLE III

MEMBERS: MEETINGS, QUORUM, VOTING, PROXIES

Section 1. Place of Meetings. Meetings of the Association may be at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors, either within Comal County or as convenient thereto as is possible and practical.

Section 2. Annual Meetings. The first meeting of the Members, whether a regular or special meeting, must be held within one year from the date of incorporation of the Association and not later than ten months after the closing of the sale of the first Lot. The next annual meeting will be set by the Board so as to occur within 45 days of the same day of the same month of each year thereafter, at a specific date and hour set by the Board.

Section 3. Special Meetings. The President may call special meetings. In addition, it is the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by at least 20% of the total votes of the Association. The notice of any special meeting must state the date, time, and place of such meeting and the purpose thereof. No business may be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It is the duty of the Secretary to cause notices to be prepared concerning each annual or special meeting of the Association, stating the purpose of the special meeting, as well as the time and place where it is to be held. Notices of meetings must be given in writing to all Members in good standing at least ten (10) days but not more than sixty (60) days prior to the meeting.

Section 5. Waiver of Notice. Waiver of notice of any meeting of the Members is deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, is deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting is also deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five nor more than thirty days from the time the original meeting was called. At such adjourned meeting the quorum required will be half the quorum required at the preceding meeting. If the required quorum is present at any such adjourned meeting, any business which may have been transacted at the meeting originally called may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting must be given to Members in the manner prescribed for regular meetings. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 7. Voting. The voting rights of the Members are as set forth in the Declaration and Section 4 of Article II above.

Section 8. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies must be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy must be revocable and will automatically cease upon loss of good standing by any such Member or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member or upon the expiration of eleven months from the date of the proxy. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

Section 9. Majority. As used in these Bylaws, the term "majority" means those votes totaling more than 50% of the total number of votes cast by voting Members in good standing attending any meeting (or represented by proxy) of the Association.

Section 10. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of 20% of the Members constitutes a quorum at all meetings of the Association.

Section 11. Conduct of Meetings. The President (or, in the absence of the President, a Vice-President or other officer of the Association) must preside over all meetings of the Association, and the Secretary or an Assistant Secretary must keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 12. Action Without a Meeting. Any action which may be taken by the vote of the voting Members at a regular or special meeting may be taken without a meeting as and to the extent permitted by applicable Texas law.

ARTICLE IV

BOARD OF DIRECTORS: NUMBER, ELECTION, POWERS, MEETINGS

Section 1. Governing Body; Composition. The affairs of the Association are governed by a Board of Directors. The Directors must be Members or spouses of Members or principals (or spouses of principals) of Members which are entities of some kind.

Section 2. Number of and Voting for Directors. The affairs of the Association will be managed initially by a board of three individuals elected by the Class H Member.

Section 3. Nomination of Directors. Prior to each annual meeting of Members, the Board may prescribe:

- (a) the opening date and the closing date of a reasonable filing period in which each and every Member who has a bona-fide interest in serving as a Director may file as a candidate for such position;
- (b) that each and every Member who has properly filed will be included within the ballot;
- (c) that where three (3) or more candidates are vying for one position, election may occur by a plurality (rather than a simple majority) of the votes cast;
- (d) such other rules and regulations which may then be appropriate to conduct the nomination and election of directors in a fair, efficient and cost-effective manner. Each candidate must be given a reasonable, uniform opportunity to communicate their qualifications to the Members and to solicit votes.

Section 4. Election and Term of Office. The election process will occur by secret ballot not less than twenty days before the annual meeting of the Members, in accordance with any reasonable procedure approved (from time to time) by the Board, so that the tabulated results can be announced at the annual meeting. Directors will be elected for three year terms of office and serve until their respective successors are elected and qualified. Any vacancy which occurs in the Board, by reason of death, resignation, removal, or otherwise, may be filled at any meeting of the Board by the affirmative vote of a majority of the remaining Directors representing the same class of Members who elected the Director whose position has become vacant. Any Director elected to fill a vacancy may serve as such until the expiration of the term of the Director whose position he or she was elected to fill.

Section 5. Removal of Directors. This Section applies with respect to Director(s) elected as envisioned by Section 2 above. At any regular or special meeting or special voting process (in lieu of a meeting) by secret written ballot of the Association duly called, where the bona-fide signatures of at least 20% of the Members appear on an appropriate petition, any one or more of the Directors may be removed, with or without cause, by a majority vote of those Members voting in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. A Director whose removal has been proposed by the Members must be given at least five days notice of the calling of the meeting or the special voting process (in lieu of a meeting) and the purpose thereof and be given an opportunity to be heard at the meeting or to communicate his position in connection with the special voting process in lieu of a meeting. Additionally, any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than sixty (60) days may be removed by a majority vote of the remaining Directors at a regular or special Board meeting. In the event of death or resignation of a Director (or in the case of removal where no successor is elected by the Members), his or her successor must be a Member selected by a majority of the remaining Members of the Board and serve for the unexpired term of the predecessor.

Section 6. Voting Procedure for Directors. The election of each director position should be conducted on or shortly before the next earliest applicable meeting of the Association. At such election, the Members or their proxies may cast, with respect to each such director position, as many votes as they are entitled to exercise under the provisions of the Declaration. The person(s) receiving the largest number of votes (which may be a plurality and not a majority) will be elected. Voting for Directors will be by secret written ballot.

Section 7. Organization Meetings. The first meeting of the members of the Board of Directors following each annual meeting of the membership will be held within ninety (90) days thereafter at such time and place as is fixed by the Board.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as may be determined from time to time by a majority of the Directors. Notice of the time and place of the meeting should be posted at a prominent place within the Subdivision and be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or

a written consent to holding of the meeting. Advance notice of the meeting(s) at which the annual budget and/or Assessments are likely to be discussed must be reasonably publicized.

Section 9. Special Meetings. Special meetings of the Board of Directors must be held when called by written notice signed by the President, Vice President, or Secretary of the Association, or by any two (2) Directors. The notice should specify the time and place of the meeting and the nature of any special business to be considered. The notice must be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telecopy. All such notices must be given or sent to the Director's business office and/or home address or telephone number(s) as shown on the records of the Association. Notices sent by first class mail must be deposited into a United States mailbox at least three days before the time set for the meeting. Notices given by personal delivery, telephone, or telecopy must be delivered, telephoned, or faxed at least seventy-two (72) hours before the time set for the meeting. Notices should be posted at a prominent place within the Subdivision not less than seventy-two (72) hours prior to the scheduled time of the meeting.

Section 10. Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, will be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting will also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors constitutes a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Compensation. No Director may receive any compensation from the Association for acting as such, but is entitled to reimbursement of reasonable expenses incurred on behalf of the Association, if approved by the Board.

Section 13. Conduct of Meetings. The President (or, in the President's absence, a Vice-President or other officer) must preside over all meetings of the Board of Directors, and the Secretary or an Assistant Secretary must keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

Section 14. Open Meetings. All meetings of the Board (excluding meetings to discuss litigation and other similar confidential matters) will to the extent possible, be open to all Members; but Members other than Directors may not participate in any discussion or deliberation except as permitted by the Directors in their absolute discretion.

Section 15. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the Directors.

Section 16. Powers. The Board of Directors is responsible for the affairs of the Association and has all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles or these Bylaws directed to be done and exercised exclusively by the Members. The Board of Directors may delegate to one or more of its members the authority to act on behalf of the Board of Directors. 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 has the power to and is responsible for the following, in way of explanation, but not limitation.

- (a) preparation and adoption of an annual budget in which there will be established annual assessments;
- (b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the means and methods of collecting such assessments, and establishing the period of any installment payments of Assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all the Common Area;
- (d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Area 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 approves, 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 Area 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 books and vouchers accrediting the entries thereupon will 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 may be set and announced by the Board of Directors for the general knowledge of the Members;

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

(n) permitting utility suppliers, garbage collectors and emergency service providers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property and Subdivision.

Section 17. Borrowing. The Board of Directors has the power to borrow money, without the specific approval of the Members of the Association, for the purpose(s) of:

(a) operations, capital improvements, repair, replacement or restoration of Common Area where such proposed borrowing has been theretofore reflected in an annual budget of the Association; and

(b) modifying, improving or adding amenities, where the total amount of such borrowing would exceed twenty-five percent (25%) of the budgeted gross expenses of the Association for that fiscal year provided that any such borrowing proposal has the affirmative approval of at least 2/3 of the individuals comprising the Board.

Section 18. Rights of the Association. With respect to the Common Area, and in accordance with the Declaration and to the maximum extent permitted by applicable law, the Association has the right to contract with any person for the performance of various duties and functions.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the Association include a President, Vice President, Secretary, Treasurer and such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as the Board deems desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. Any member of the Board or of the Declarant may serve as an officer.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association will be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the affirmative vote of a majority of the Board of Directors, whenever in their judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President is the chief executive officer of the Association. The Treasurer has primary responsibility for the preparation of the annual budget as provided for hereinabove and may delegate all or part of the preparation and notification duties to a finance committee.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation takes effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation is not necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks. All agreements, contracts, deeds, leases, checks, and other instruments of the Association must be executed by at least one officer or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE VI

COMMITTEES

Section 1. General. The Board of Directors may appoint one or more committees by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Such committees will perform such duties and have such powers as may be provided in the resolution. Each committee will operate in accordance with the terms of the resolution of the Board

of Directors designating the committee or with rules adopted by the Board of Directors. The Board will appoint the chairperson for each committee who presides at its meetings and who is responsible for transmitting any and all communications to the Board of Directors.

Section 2. Architectural Review Committee. The Board of Directors may appoint the Architectural Review Committee after the expiration of Class H membership, in accordance with the Declaration.

ARTICLE VII

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association will commence on January 1.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) govern the conduct of the Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Texas law, the Articles of Incorporation, the Declaration, and these Bylaws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) prevail.

Section 4. Books and Records.

(a) Inspection by Members. The membership register, books of account, and minutes of meetings of the Members, the Board, and committees are available for inspection and copying by any Member of the Association or by his or her duly appointed representative at any reasonable time and for a proper purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place as the Board prescribes.

(b) Rules for Inspection. The Board may establish reasonable rules with respect to:

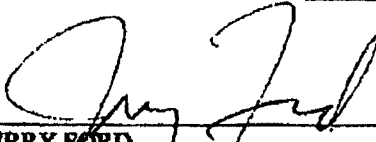
- (i) notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (ii) hours and days of the week when such an inspection may be made;
- (iii) payment (or prepayment) of the cost of reproducing copies of documents requested by a Member; and
- (iv) maintenance of confidentiality with respect to records.

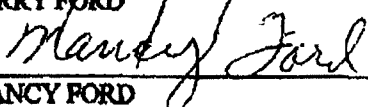
(c) Inspection by Directors. Every Director has the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make reasonable extracts and copies of documents at the expense of the Association.

Section 5. Amendments. The power and authority to alter, amend or repeal the Bylaws, or to adopt new Bylaws, has been delegated by the Members to the Board of Directors.

We, the undersigned, being the majority of the Directors of Cotton Crossing Owners Association, Inc., do hereby certify that we hereby assent to the foregoing Bylaws and hereby adopt the same as the Bylaws of said Association.

IN WITNESS WHEREOF, we have hereunto subscribed our names as of the 12
day of August, 2000.



JERRY FORD


NANCY FORD