

**Third Amendment to the Bylaws of
Timberhills Homeowners Association
Adopted November 3, 1999**

ARTICLE III, Section 4. Quorum

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, ten (10) percent 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.

Adoption Attested by:



Dr. Tim Reynolds, President of Timberhills H.O.A.

STATE OF TEXAS {}
 {}
COUNTY OF HARRIS {}

WHEREAS, it is desired to amend the Bylaws of the Timberhills Homeowners Association, Inc. to change the term of the Directors duly elected.

Article IV, Section 2. Term of Office. The initial Directors for the Association set forth in the Articles of Incorporation shall hold office for a term of five (5) years and, thereafter, until their successors are duly elected and qualified. The initial Directors shall be selected by Declarant. Any vacancy, from whatever cause, occurring in the Board of Directors during the initial five year term shall be filled by appointment made by the remaining Director or Directors. The person appointed by the remaining Director or Directors to fill such vacancy shall serve for the remainder of the initial five year term and until his successor is duly elected and qualified. After the expiration of the term of the initial Directors, the members shall elect not less than three (3) Directors for a term of one year each. At each annual meeting thereafter the members shall elect that number of Directors equal to the number of Directors whose terms expire at such time for a term of one year each.

Article IV, Section 2. Term of Office. At the 1997 Annual Meeting the Members shall elect three (3) Directors for a term of one (1) year each and two (2) Directors for a term of two (2) years each. At each annual meeting thereafter, the members shall elect that number of Directors equal to the number of Directors whose terms expire at such time, for a term of two (2) years each.


John Wright
President

Attest: Chris Lee
Chris Lee
Secretary

CERTIFICATE OF FIRST AMENDMENT
TO THE BYLAWS OF
TIMBERHILLS HOMEOWNERS ASSOCIATION, INC.

The undersigned, being the duly elected, qualified and acting Secretary of Timberhills Homeowners Association, Inc., a Texas non-profit corporation ("the Association"), and the keeper of the minutes and records of the Association, does hereby certify that the following amendments to the Bylaws of the Association were approved by a majority of the Members of the Association present at the Annual Meeting of the Members held on the 15th day of November, 1989, which was duly called to, among other things, vote on an amendment to the Bylaws, and at which a quorum was present.

Article IV, Section 2, of the Bylaws of the Association is hereby amended to read as follows:

Section 2. Term of Office. The Directors for the Association shall hold office for a term of one (1) year. The term of a Director shall commence with the first day of the fiscal year of the Association and shall end with the last day of the fiscal year of the Association. The Directors elected at the Annual Meeting of the Association shall attend the remaining monthly meetings of the then current Board of Directors until their term commences.

Article VI, Section 1(c), of the Bylaws of the Association is hereby amended to read as follows:

- (c) to enforce suspension and establish guidelines as to the reinstatement of the voting rights of a member and his right and the rights of the members of his immediate family residing with him and his guests, to use any recreation Community Facility of the Community Properties during the period he is in default in excess of thirty (30) days in payment of any maintenance charge assessment against his Lot; and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

Article X of the Bylaws of the Association is hereby amended to read as follows:

ASSESSMENTS

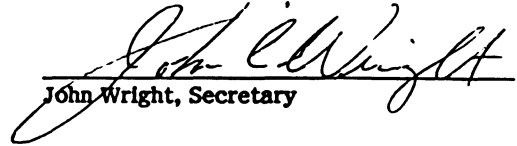
As more fully provided in the Declaration, each member is obligated to pay to the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. In the event a member's assessment is delinquent, he and the members of his family residing with him and his guests may be denied use of any of the Community Properties, subject to the limitations set forth herein and in the Declaration. If the assessment is not paid within thirty (30) days after the due date, the member's voting rights are automatically suspended until the assessments are no longer delinquent, and the assessment shall bear interest from the date of delinquency at a rate of nine and one-half percent (9 1/2%) 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

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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 any of the facilities or services provided by the Association or by abandonment of his lot.

All other provisions of the Bylaws of the Association shall remain in full force and effect.

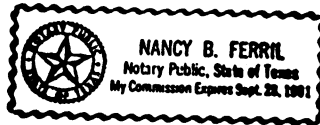
TO CERTIFY WHICH, WITNESS MY HAND this the 29th day
of December, 1989


John Wright, Secretary

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared John Wright, Secretary of Timberhills Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this the 29th day
of December, 1989




Notary Public - State of Texas
Print Name Nancy B. Ferril
My Commission Expires: 9/28/91

COR/Amend-34

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BYLAWS
OF
TIMBERHILLS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is TIMBERHILLS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 748 Esperson Building, Houston, Texas 77002, but meetings of members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to TIMBERHILLS HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain property or properties described in the Declaration of Covenants, Conditions and Restrictions for Timberhills, Section One, a subdivision in Harris County, Texas, and any additional properties which may hereafter be brought within the jurisdiction of the Association.

Section 3. "Community Properties" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" or "Lots" shall mean and refer to the plots of land depicted and numbered as such upon the Subdivision Plat of Timberhills, Section One Subdivision as recorded in the Map Records of Harris County, Texas and any re-plat or addition thereto.

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 subject to a maintenance charge assessment by the Association, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 6. "Declarant" shall mean and refer to Timberhills, Inc., the Declarant in the Declaration, and its successors and assigns if such successors and 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 for Timberhills, Section One, a subdivision in Harris County, Texas, filed for record in the office of the County Clerk of Harris County, Texas, and any additions or supplements thereto.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation of the Association.

ARTICLE III

MEETING OF MEMBERS

 Section 1. Annual Meetings. The regular annual meeting of the members of the Association shall be held on the first Wednesday in October of each year beginning in 1978 at 10:00 a.m. at the principal

office of the Association. If such date 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. The failure to hold the regular annual meeting at the designated time shall not work a dissolution of the Association.

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

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least 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 the purpose of the meeting. Notice of annual meetings shall not be required, but may be given in a like manner.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fifth (1/5) 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 his Lot.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of this Association shall be managed by a Board of not less than three (3) Directors, who need not be members of the Association. The number of Directors may be increased or decreased from time to time by amendment of the Bylaws in accordance with Article XII.

Section 2. Term of Office. The initial Directors for the Association set forth in the Articles of Incorporation shall hold office for a term of five (5) years and, thereafter, until their successors are duly elected and qualified. The initial Directors shall be selected by Declarant. Any vacancy, from whatever cause, occurring in the Board of Directors during the initial five year term shall be filled by appointment made by the remaining Director or Directors. The person appointed by the remaining Director or Directors to fill such vacancy shall serve for the remainder of the initial five year term and until his successor is duly elected and qualified. After the expiration of the term of the initial Directors, the members shall elect not less than three (3) Directors for a term of one year each. At each annual meeting thereafter the members shall elect that number of Directors equal to the number of Directors whose terms expire at such time for a term of one year each.

Section 3. 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 Chairman, 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. 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 4. 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 of each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. Removal. No member of the Board of Directors shall be removed from office except for malfeasance in the conduct of his duties. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the the unexpired term of his predecessor.

Section 6. Compensation. No Director shall receive compensation for any service he may render to the Association; provided, however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually 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.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association or by any Director after not less than three (3) days notice to each Director, when such notice may be waived at or prior to such meeting.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Action Without a Meeting. Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all of the members of the Board of Directors. Such consent shall be placed in the minute book of the Association with the minutes of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

POWERS AND DUTIES OF THE ASSOCIATION

Section 1. Powers. The Board of Directors shall have the following rights and powers; provided, however, that the rights and powers set forth in the immediately following subparagraphs (a), (b), (c), and (d), insofar as they refer to the construction, maintenance or operation of any Community Properties or recreational facility within Reserve "A" of Timberhills, Section One, shall be granted only at such time as any such Community Properties or recreational facility located within the said Reserve "A" is conveyed to the Association as set forth in the Declaration:

- (a) to construct, manage and maintain Community Properties and Facilities and any adjacent or included public properties; and to make assessments annually therefor, and for other purposes, all pursuant to the Declaration;
- (b) to charge reasonable admission and other fees for the use of the recreational facilities located on the Community Properties, and to make, publish and enforce reasonable rules and regulations governing the use and enjoyment of the Community Properties and Facilities, or any part thereof, all of which reasonable rules and regulations shall be binding upon, complied with, and observed by each member. These rules and regulations may include provisions to govern and control the use of the Community Properties and Facilities by guests and invitees of the members, including, without limitation, the number of guests or invitees who may use the Community Properties and Facilities, or any part thereof, at the same time;
- (c) to suspend the voting rights of a member and his right and the rights of the members of his immediate family residing with him and his guests, to use any recreational Community Facility of the Community Properties during the period he is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against his Lot; and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (d) to enter management and/or operating contracts or agreements relative to the maintenance and operation of the Community Properties and Facilities, in such instances and on such

terms as the Board of Directors may deem appropriate; to operate recreational facilities and related concessions located on the Community Properties; to enter lease agreements or concession agreements granting leasehold, concession, or other operating rights relative to recreational facilities located on the Community Properties in such instances and on such terms as the Board of Directors may deem appropriate;

- (e) to exercise for the Association all rights, powers, duties and authority granted, vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and
- (f) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all of 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 requested 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) fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- (d) issue, or 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 that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association;
- (f) cause any officers or employees having fiscal responsibilities to be bonded, at it may deem appropriate; and
- (g) cause the Community Properties to be maintained, subject to the limitations set forth herein and in the Declaration.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, who shall be at all times a member of the Board of Directors; a vice president; 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 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 by giving 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 replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one office except the office of vice president, secretary, treasurer, and/or special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers of the Association are as follows:

President

- (a) The president shall preside at all meetings of the Board of Directors and of the Association; 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 promissory notes.

Vice President

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

Secretary

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and make the same available for inspection by members of the Association during normal business hours.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. The Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

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 X

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association certain 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. In the event a member's assessment is delinquent, he and members of his immediate family residing with him and his guests may be denied use of any of the Community Properties, subject to limitations set forth herein and in the Declaration. 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 nine and one-half (9 1/2%) 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 any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and within the center the word "Texas".

ARTICLE XII

AMENDMENTS

Section 1. Amendment. 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. However, FHA or VA shall have the right to veto amendments while there is a Class B membership.

Section 2. Conflict. 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 XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first 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.

IN WITNESS WHEREOF, we being all of the Directors of Timberhills
Homeowners Association, Inc., have hereunto set our hands this

31st day of August, 1978.

K.C. Smith
X. Craig Rahn
David W. Glin

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of TIMBERHILLS HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by unanimous written consent of the Board of Directors thereof on the 31st day of August, 1978.

IN WITNEESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 31st day of August, 1978.

Margaret K. [Signature]
Secretary