

CORPORATE SECRETARY'S CERTIFICATE
CARRIAGE HILLS COMMUNITY IMPROVEMENT ASSOCIATION, INC.

The undersigned certifies that she is the duly appointed and acting Secretary of Carriage Hills Community Improvement Association, Inc., (the "Association"). The Association is the property owners' association for Carriage Hills Sections 1, 2, and 3 Subdivision, a subdivision in Montgomery County, Texas, according to the map or plat thereof of record in Volume B, Pages 127, 191B and 191 of the Map Records of Montgomery County, Texas (the "Subdivision").

The Association is a Texas nonprofit corporation, and a true and correct copy of the Association's Corrected Amended Bylaws (Revised June 2006) are attached to this certificate.

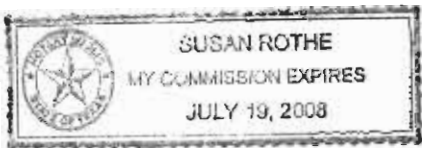
Signed this 27 day of June, 2006.

Cathy Phillips, Secretary of Carriage Hills Community Improvement Association, Inc.

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

Sworn to and subscribed to before me on the 27 day of June, 2006, by Cathy Phillips.

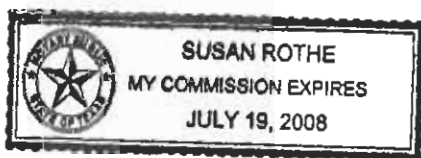


Notary Public in and for the State of Texas

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 27 day of June, 2006, by Cathy Phillips, Secretary of Carriage Hills Community Improvement Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



Notary Public in and for the State of Texas

170-11-2749

AFTER RECORDING RETURN TO:
Carriage Hills Community
Improvement Association, Inc.
C/o The Fowler Law Firm
300 West Davis, Suite 510
Conroe, Texas 77301

CORRECTED AMENDED BYLAWS OF

CARRIAGE HILLS COMMUNITY IMPROVEMENT ASSOCIATION, INC.

A Texas Non-Profit Corporation

(REVISED JUNE 2006)

ARTICLE I

Section 1.1 Name and Principal Place of Business. The name of the Corporation is Carriage Hills Community Improvement Association, Inc., hereinafter referred to as "the Association". The principal business office of the Association shall be located in Texas.

ARTICLE II

When used herein, the following terms shall be given the meaning hereinafter stated:

Section 2.1 "Association" shall mean and refer to Carriage Hills Community Improvement Association, Inc., a Texas non-profit Association, its successors and assigns.

Section 2.2 "Owner" shall mean and refer to the record owner, whether one or more persons and 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 2.3 "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.4 "Common Area" shall mean all real property and improvements now or hereinafter owned by the Association for the common use and enjoyment of the owners.

Section 2.5 "Lot" shall mean and refer to any plot of land shown on the subdivision maps of Carriage Hills with the size of each lot to be established in the Deed thereto.

Section 2.6 "Board of Directors" shall mean and refer to the Board of Directors of Carriage Hills Community Improvement Association, Inc.

Section 2.7 "Member" shall mean any person who is a member of Carriage Hills Community Improvement Association, Inc. as defined in Article IV of these Bylaws.

Section 2.8 "Declaration" shall mean and refer to the instrument or instruments imposing covenants, conditions and restrictions upon all properties which are within the jurisdiction of the Association.

ARTICLE III

Section 3.1 The Association shall be a non-profit organization for the purpose of promoting the best public interest for the community as a whole and shall be empowered to, but not limited to, performing any and all lawful things and acts which this Association at any time shall in its discretion deem to be to the best interest of said property and the owners of the lots therein.

Section 3.2 The Association shall remain politically non-partisan.

Section 3.3 All present or future owners, tenants, or any other person that might use the facilities of Carriage Hills in any manner, are subject to the regulations set forth in these bylaws. The mere acquisition or rental of any of the lots in Carriage Hills or any dwelling situated on any lot or lots in Carriage Hills or the mere act of occupancy of any lot or lots in Carriage Hills will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE IV

Section 4.1 The Association shall have one (1) class of members.

Section 4.2 Every owner of a lot which is subject to assessment as set forth in the Declaration, shall be a member of the Association and shall be subject to these Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. Such membership shall terminate without any formal Association action whenever such lot owner ceases to own a lot in Carriage Hills; but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with Carriage Hills during the period of such ownership and membership in the Association or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

Section 4.3 Each member shall be entitled to one vote for each lot owned. When more than one person owns an interest in any lot, all such persons shall be members. The vote of such lot shall be exercised as such co-owners shall among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) lot. It shall be presumed that a vote by any one (1) of a group of co-owners shall be the vote of all owners of such lot, absent any objection by any of the other co-owners.

Section 4.4 All members of the Association shall have the right and privilege to use and enjoy all properties, facilities and services of the Association and, except as hereinafter provided, to serve on the Board of Directors and participate in all meetings, activities and functions.

ARTICLE V

Section 5.1 - Annual Meeting. An annual meeting of Members for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held at the principal office of the Association in the City of Conroe, County of Montgomery, Texas, or at such other place as may be designated by the Board of Directors or officer calling the meeting. An annual meeting is to be held on the third (3rd) Tuesday of May each calendar year unless such day is a legal holiday, in which case such meeting shall be held at such hour on the first day thereafter which is not a legal holiday. In the event the annual meeting is omitted by oversight or otherwise and not held as provided herein, an annual meeting may be called in the manner provided for special meetings herein at a subsequent date and the business transacted at such meeting shall be valid as if transacted at the annual meeting held during the month of May. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 5.2 - Special Meeting Except as otherwise provided by law or by the Articles of Incorporation, special meetings of the Members of the Association may be called by the President, any member of the Board of Directors, or upon written request of the members who are entitled to vote not less than ten (10%) percent of all of the votes of the membership at such meeting, and shall be held at the principal office of the Association in the City of Conroe, County of Montgomery, Texas, at such time as is stated in the notice calling such meeting, or at such other place and day or time as the Board of Directors may determine and state in such notice. Any such written request for a special meeting must state the purpose of the requested meeting. Such meetings shall be held within thirty (30) days from the date such written request is received by the Board. Subject to the foregoing provisions, the exact date, time and place of special meetings shall be determined by the Board. No business shall be transacted at a special meeting except as stated in the notice of the special meeting.

Section 5.3 - Notice of Meetings - Waiver Written or printed notice, stating the place, day and hour of any meeting and, in case of special meeting of Members, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) or more than fifty (50) days before the date of the meeting, either personally, or by mail, by or at the direction of the President, the Vice President, Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at such meeting. Such further or earlier notice shall be given as may be required by law. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the Membership Records of the Association, with postage thereon prepaid. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at each lot owners lot in their absence, all within the time frame as herein above stated for notice by mail. Waiver by a Member of notice of a meeting by attendance at the meeting, unless such attendance is to object to the notice herein

required, or in writing signed by him, whether before or after the time stated therein, shall be equivalent to the giving of such notice. No notice shall be necessary for any adjourned meeting.

Section 5.4 – Voting List The officer or agent having charge of the membership books of the Association shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Association and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. Failure to comply with this Section shall not effect the validity of any action taken at such meeting.

Section 5.5 – Quorum Except as otherwise provided by law, by the Articles of Incorporation or by these Bylaws, the Members represented at the meeting in person or by proxy, entitled to cast one-tenth (1/10) of the votes of the total membership, shall constitute a quorum for any action at a meeting of Members, but the Members present at any meeting, although less than a quorum, may from time to time adjourn the meeting, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The vote of a majority of the Members represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Declaration or these Bylaws. The Members present at a duly constituted meeting may continue to transact business until adjournment, despite the withdrawal of enough members to leave less than a quorum, and the vote of the majority of members represented at such meeting shall be the act of the Members' meeting, unless the vote of a greater number of the Members is required by law, the Articles of Incorporation or the Bylaws. The President shall preside at, and the Secretary shall keep the records of, each meeting of Members, and in the absence of either such officer, his duties shall be performed by some person appointed by the meeting.

Section 5.6 – Proxies A Member may vote either in person or by proxy executed in writing by the Member, or by his duly authorized attorney in fact. Proxies shall be dated but need not be sealed, witnessed or acknowledged. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable, unless provided expressly therein to be irrevocable, and in no event shall it remain irrevocable for a period of more than eleven (11) months from the date thereof. Proxies shall be filed with the Secretary of the Association before or at the time of the meeting and shall automatically cease upon conveyance by the member of his lot.

Section 5.7 – Balloting Upon the demand of any Member, the vote upon any question before the meeting shall be by ballot. At each meeting inspectors of election may be appointed by the presiding officer of the meeting, and at any meeting for the election of Directors. No Director or candidate for the office of Director shall be appointed as such inspector

Section 5.8 - Voting by Mail At the discretion of the Board of Directors, Members may vote by mail, on any issue on which a vote is to be cast, at any annual or special meeting. In the event the Board shall elect to permit voting by mail, the Board shall provide a ballot, in a form, which in the discretion of the Board, is suitable to indicate the vote of the Member(s). The Board shall mail such ballots to the Members not more than twenty (20), but not less than five (5), days before the annual or special meeting to which such ballot applies. Any completed ballot not actually received by the Board at or before the time of such annual or special meeting, or other time as specified in writing by the Board, shall be deemed late and shall not be counted.

Section 5.9 - Cumulative Voting Cumulative voting shall not be allowed.

Section 5.10 - Records of Members The Association shall keep at its principal business office a record of its Members, giving the names and addresses of all Members.

Section 5.11 - Action Without Meeting Any action required by statute to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the Members. The signed consent or a signed copy shall be placed in the minute book.

Section 5.12 - Interested Members No contract or other transaction between the Association and any of its Members (or any Association, partnership, association, joint venture or other organization in which any of them are directly or indirectly interested) shall be invalid solely because of this relationship or because of the presence of such Member at the meeting authorizing such contract or transaction, or his participation in such meeting or authorization, if,

- a) the material facts of the relationship or interest of each such member are known or disclosed to the Board of Directors and it nevertheless authorizes or ratifies the contract or transaction; or to the Members and they nevertheless authorize or ratify the contract or transaction by an affirmative vote of a majority of the shares present; each such interested Member to be counted neither for quorum nor voting purposes; and
- b) the contract or transaction is fair to the Association as of the time it is authorized or ratified by the Board of Directors or the Members.

This provision shall not be construed to invalidate a contract or transaction which would be valid in the absence of this provision.

ARTICLE VI DIRECTORS

Section 6.1 – Management The business and affairs of the Association shall be managed by its Board of Directors who may exercise all such powers of the Association and do all such lawful acts and things as are not (by statute or by the Articles or Incorporation or by these Bylaws) directed or required to be exercised or done by the Members.

Section 6.2 – Number The number of Directors which shall constitute the whole Board shall be five (5), each of whom must be a lot owner in Carriage Hills. At the annual meeting of 2006, the Members shall elect two (2) Directors for a term of three (3) years. At the annual meeting of 2007, the Members shall elect one (1) Director for a term of three (3) years. And, at the annual meeting of 2008, the Members shall elect two (2) Directors for a term of three (3) years. 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, such Directors to serve for a term of three (3) years each. Each Director elected shall serve until his successor shall have been duly elected and qualified. The persons receiving the largest number of votes shall be elected. The number of Directors may be increased or decreased from time to time by a unanimous vote of the Board but no decrease shall have the effect of shortening the term of any incumbent Director. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an Annual Meeting or at a Special Meeting of Members called for that purpose.

When acting as a member of the Board of Directors, each person shall place the interests of the Association and its members before his individual interest or the interests of any other group or association of persons. In the event any member of the Board of Directors has any individual interest which may be in conflict with the interests of the Association, he shall immediately make such fact known to the Board of Directors, and he shall be disqualified from participating in discussion or action of the Board with respect to such matters. In the event any member of the Board becomes in such a position that his individual interests are and shall continue to conflict with the interests of the Association over an extended period of time and in such a manner as to directly or indirectly affect a substantial amount of the business of the Board, such member shall be disqualified from acting on the Board and may be removed from the Board as provided in Article VI hereof. No Member shall be eligible for nomination as a Director if the Member has a family member serving on the Board. A Member shall not serve on the Board for a term that would overlap or run concurrently with the term of a family member. Family members shall be defined as a person related within the first degree by consanguinity (blood) or affinity (marriage).

Section 6.3 – Nomination Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations from the floor at the annual meeting are prohibited. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two (2) 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. The Nominating Committee shall submit to the Members of the Association at least two (2) weeks prior to the annual meeting of the Association, in writing, an eligible nominee for each position on the Board of Directors. Nominations may also be made from among members of the Association.

Section 6.4 – 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 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 for each position shall be elected to such position. The newly elected Directors shall take office immediately.

Section 6.5 – Vacancy Any vacancy occurring in the Board of Directors for whatsoever reason may be filled by an affirmative vote of a majority of the remaining Directors, even though such majority may constitute less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office and thereafter until his successor is duly elected and qualified. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of the majority of the remaining Directors called for that purpose. If no members have the right to vote thereon, the directorship shall be filled by the President of the Board.

Section 6.6 – Removal Any Director may be removed either for or without cause at any duly constituted meeting of Members by the affirmative vote of a majority of Members present in person or by proxy at such meeting at which Members representing fifty-one percent (51%) of the total membership entitled to vote in elections of Directors are present in person or by proxy. The Board of Directors of the Association shall be obliged to arrange for elections for the removal of members of the Board of Directors of the Association when so requested in writing by twenty-five (25) or more lot owners in Carriage Hills. The Board of Directors of the Association may also call such an election within its own discretion. Such election for the removal of members of the Board of Directors of the Association shall be governed by the following: The Board of Directors shall serve written notice of such election to each of the then lot owners in Carriage Hills by addressing such notice by U.S. mail, postage prepaid, to the last known address of such owners at least two (2) weeks prior to such election, thereby apprising said owners of the time and place of such election. Votes of owners shall be evidenced by written ballots furnished by the Board of Directors of the Association and the Board of Directors shall preserve said ballots for a period of not less than one (1) year from date of said election. Any owner may appoint a proxy to cast said owner's ballot in such election, provided that such proxy is attached to the ballot as a part thereof. The result of such election shall be determined by a majority vote of those owners then voting. Any Directors whose removal has been proposed shall be given an opportunity to be heard at such meeting prior to the vote on such removal.

Section 6.7 – Meeting Place Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas at whatsoever place is specified by the Director or Officer calling the meeting.

Section 6.8 – Regular Meetings Regular meetings of the Board of Directors may be held upon notice, or without notice, and at such time and at such place as shall from time to time be determined by the Board.

Section 6.9 – Special Meetings Special Meetings of the Board of Directors may be called by any two (2) members of the Board of Directors, or the President, and shall be called by the President or Vice President on the written request of a majority of the Directors. Notice of each Special Meeting of the Board of Directors shall be given to each Director at least three (3) business days before the date of the meeting by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company.

Section 6.10 – Notice Any Director may waive notice of any meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Any Director may also waive notice by a writing signed by him, whether before or after the time stated therein and such notice shall be equivalent to the giving of such notice. Except as may be otherwise provided by law or by the Articles of Incorporation or by the Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6.11 – Telephone and Similar Meetings Directors may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all Directors participating in the meeting can hear each other.

Section 6.12 – Quorum At all meetings of the Board of Directors a majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, unless otherwise specifically provided by law, the Articles of Incorporation or the Bylaws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. 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 of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 6.13 – Procedure at Meetings The Board of Directors, at each regular meeting held following the Annual meeting of Members, shall appoint one of their number to act as Chairman of the Board of Directors, who may also be an officer of the Association, and who shall preside at meetings of the Board. In his absence at any meeting, a member of the Board to be selected by the members present shall preside. The Vice President of the Association shall act as Secretary at all meetings of the Board or, in his absence, the presiding officer of the meeting shall designate any person in attendance to act as Secretary. At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board may determine.

Section 6.14 – Board Committee The Board of Directors, by resolution passed by a majority of the whole Board, may from time to time designate members of the Board to constitute committees. A majority of the whole Board of Directors shall have power at any time to change the number and members of any such committee, to fill vacancies and to discharge any such committee.

Section 6.15 – Consent Any action 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 the members of the Board of Directors.

Section 6.16 – Powers and Duties The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential subdivision. The Board of Directors may do all such acts and things as are not by these Bylaws or by the Declaration for Carriage Hills directed to be exercised and done by the Members.

Section 6.17 – Other Powers and Duties The Board of Directors shall be empowered and shall have additional duties and powers as follows:

- a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Declaration of Covenants, Conditions and Restrictions, in these Bylaws and in such rules and regulations as the Board of Directors may from time to time establish.
- b) To establish, make, adopt and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the common areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof, as well as the right to amend such rules, regulations and penalties from time to time. A copy of such rules and regulations shall be posted, delivered or mailed to each Member promptly upon the adoption thereof.
- c) To keep in good order, condition and repair all of the Common Areas and all items of personal property used in the enjoyment of the Common Areas.
- d) To fix, determine, levy and collect the annual assessments to be paid by each of the owners toward the gross expenses of the Association and by majority vote of the Board to adjust, decrease or increase the amount of annual assessments subject to the provisions of the Declaration. To levy and collect special assessments whenever in the opinion of the Board it is necessary to so do in order to meet increased operating or maintenance expenses, or costs, or additional capital expenses or because of emergencies, subject to the provisions of the Declaration.
- e) As more fully set forth 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 the due date and/or to bring an action at law against the owner personally obligated to pay the same, if in the judgement of the Association it is necessary.
- f) To 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 before the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
 - g) To enforce or release any lien imposed on any part of this subdivision by reason of a violating any of these covenants or restrictions or by reason of failure to pay maintenance charges herein provide for.
 - h) Suspend the voting rights and rights to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) consecutive days for infraction of published rules and regulations.
 - i) To collect delinquent assessments by suit or otherwise and to enjoin and/or seek damages from an owner as is provided in the Declaration and these Bylaws.
 - j) To collect and expend, in the interest of the subdivision as a whole, the maintenance fund created pursuant to the Declaration and these Bylaws.
 - k) To protect and defend the properties from loss and damage by suit or otherwise.
 - l) To borrow funds in order to pay for any expenditure or outlay required; to execute all such instruments evidencing such indebtedness.
 - m) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without a valid reason from three (3) consecutive meetings of the Board of Directors.
 - n) To 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 requested in writing by one-fourth (1/4) of the members who are entitled to vote.
 - o) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
 - p) To supervise all officers, agents and employees of this.
 - q) To procure and maintain adequate liability and hazard insurance on the property owned by the Association.
 - r) To cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate.
 - s) To cause the Common Area to be maintained.
 - t) To enter into contracts within the scope of their duties and power.
 - u) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

In general, to exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation, or the Declaration, and to do all of those things necessary and reasonable in order to carry on the administration of this Association. Failure by the Association or the owner to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter.

The Board of Directors shall not have the authority either to borrow funds on behalf of the Association of an amount in excess of Three Hundred Fifty and No/100 (\$350.00) Dollars or to grant a lien on any of the Association's property to secure any loan to the Association without first obtaining the approval of a majority of a quorum of not less than ten percent (10%) of the members of the Association who are eligible to vote on matters submitted to a vote of the membership, such approval being obtained either at a meeting of the members or by signed written ballot mailed or delivered.

Section 6.18 – Compensation No Director shall receive compensation for any service he may render to the Association, as a Director. However, any Director may, at the Board's discretion, be reimbursed for his actual expenses incurred the performance of his duties.

ARTICLE VII OFFICERS

Section 7.1 – Number The officers of the Association shall consist of the President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and the Board of Directors. The Board of Directors may elect or appoint such other officers as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person. In its discretion, the Board of Directors may leave unfilled any office except those of President, Vice President, Secretary, or Treasurer.

Section 7.2 – Election; Term; Qualifications The offices of President, Vice President, Secretary and Treasurer shall be elected by the Board of Directors annually at the meeting of the Board of Directors following the Annual Meeting of the Members, or as soon thereafter as conveniently may be, or whenever a vacancy exists. Assistant officers and agents may be elected by the Board at any meeting. Each officer shall hold office until his successor has been duly chosen and qualified, or until his death, resignation or removal.

Section 7.3 – Removal Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interests of the Association will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create any contract rights.

Section 7.4 – Resignation 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; unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.5 – Vacancies Any vacancy in any officer for any cause may be filled by the Board of Directors for the unexpired portion of the term.

Section 7.6 – Duties The officers of the Association shall have such powers and duties, except as modified by the Board of Directors, as generally pertain to their offices, respectively, as well as such powers and duties as from time to time shall be conferred by the Board of Directors and by these Bylaws.

Section 7.7 – President The President shall be the chief executive officer of the Association, and shall have general direction of the affairs of the Association and general supervision over its several officers, subject however, to the control of the Board of Directors. He shall at each Annual Meeting, and from time to time, report to the Members and to the Board of Directors all matters within his knowledge, which, in his opinion, the interest of the Association may require to be brought to their notices; shall preside at all the meetings of the Members and of the Board of Directors; shall sign and execute in the name of the Association with the Secretary or any other proper officer of the Association authorized by the Board of Directors, except in cases where the signing and execution thereof shall be expressly delegated or permitted by the Board or by these Bylaws to some other officer or agent of the Association; and in general, shall perform all duties incident to the office of the President, and such other duties as from time to time may be assigned to him by the Board of Directors or as are prescribed by these Bylaws.

Section 7.8 – Vice President At the request of the President, or, in his absence or disability, the Vice President in the order of their election, shall perform the duties of the President, and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the

President at the time such action was taken. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7.9 – Secretary The Secretary shall: (a) keep the minutes of all meetings of the Members, of the Board of Directors, and of all committees of the Board of Directors, in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) by custodian or corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws; (d) have general charge of membership record books, and such other books and papers as the Board of Directors may direct, of the Association, all of which shall, at all reasonable times, be open to the examination of any Member, upon application at the office of the Association during business hours; and (e) in general, perform all duties and exercise all powers incident to the office of the Secretary and such other duties and powers as the Board of Directors or the President from time to time may assign to or confer on him.

Section 7.10 – Treasurer The Treasurer shall keep complete and accurate records of account, showing accurately at all times the financial condition of the Association. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Association, depositing all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall countersign all checks of the Association, cause an annual statement of the Association's books to be made at the completion of each Fiscal year, and advise the President in financial matters. He shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Association, and shall perform such other duties as the Bylaws may require or the Board of Directors may prescribe.

Section 7.11 – Assistant Officers Any Assistant Officer appointed by the Board of Directors shall have power to perform, and shall perform, all duties as the Bylaws may require or the Board of Directors may prescribe.

Section 7.12 – Salaries No officer shall receive salary or other compensation for any service he may render to the Association as an officer. However, any officer may, at the Board's discretion, be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7.13 – Bonds of Officers The Board of Directors may secure the fidelity of any or all of such officers by bond or otherwise, in such terms and with such surety or sureties, conditions, penalties or securities as shall be required by the Board of Directors, to include restoration to the Association, in case of death of such officer, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

Section 7.14 – Delegation The Board of Directors may delegate temporarily the powers and duties of any officer of the Association, in case of his absence or for any other reason, to any other officer, and may authorize the delegation by any officer of the Association of any of his powers and duties to any agent or employee subject to the general supervision of such officer.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 – 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 ten percent (10%) per annum, and the Association may bring an action at law or in equity against the property and/or the owner, 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 nonuse of the Common Area or abandonment of his lot.

Section 8.2 – Contracts The Board of Directors may authorize any officer or officers, agent or agents, of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors or by these Bylaws, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

Section 8.3 – Association Books The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any of the Association members. 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 costs.

Section 8.4 – Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association as shall be signed by such officer or officers or such other person or persons as shall from time to time be authorized pursuant to these Bylaws or by resolution of the Board of Directors.

Section 8.5 – Depositories All funds of the Association shall be deposited from time to time to the credit of the Association in one or more 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 of Directors may from time to time authorize the opening and keeping with any such depository as it may designate of general and special bank accounts and may make such special rules and regulations with respect thereto, no inconsistent with the provisions of these Bylaws, as it may deem expedient.

Section 8.6 – Corporate Seal The corporate seal shall be in such form as the Board of Directors shall approve, and such seal, or a facsimile thereof, may be impressed on, affixed to, or in any inanner reproduced upon, instruments of any nature required to be executed by officers of the Association.

Section 8.7 – Fiscal Year; Accounting Election The fiscal year and the method of accounting for the Association shall be as the Board of Directors shall determine.

Section 8.8 – Indemnification of Officers and Directors Each person who may have served as Director or officer of this Association, shall be indemnified by the Association against liabilities imposed upon him and expenses reasonable incurred by him in connection with any claim made against him, or any action, suit or proceeding to which he may be a party by reason of his being, or having been, such Director or officer, and against such sums as counsel selected by the Board of Directors shall deem reasonable payment made in settlement of any such claim, action, suit, or proceeding primarily with a view to avoiding expenses of litigation; provided, however, that no indemnification shall be in addition to any other rights to which Directors or officers may be entitled. Such person shall be indemnified only if he is successful on the merits or otherwise, or if he acted in good faith in the transaction which is subject of the suit, and in a manner he reasonable believed to be in, or not opposed to the best interests of the Association. However, he shall not be indemnified in respect of any claim, issue or matter as to which he has been adjudged liable for negligence or misconduct in the performance of his duty to the Association.

- a) **Proration** Any person who is eligible for indemnification by the Association as outlined in Section 8.8 may be determined to be indemnified as to some matters but not as to others, and such indemnification amounts may be reasonably prorated.
- b) **Advance Payment** The Association may pay in advance any expenses which may become subject to indemnification under Section 8.8 if the Board of Directors authorizes the specific payment and the person receiving the payment undertakes in writing to repay unless it is ultimately determined that he is entitled to indemnification by the Association under Section 8.8.
- c) **Insurance** The Association may purchase and maintain insurance on behalf of any person who holds or who has held any position of office or director as specified above, against any liability incurred by him in any such position, or arising out of his status as such, whether or not the Association would have power to indemnify him against such liability.

Section 8.9 – Construction Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these Bylaws shall be invalid, then, so far as is reasonable and possible, the remainder of these Bylaws shall be considered valid and operative and effect shall be given to the intent manifested by the portion held invalid and inoperative.

Section 8.10 – Conflicts In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 8.11 – Amendments In the event a Bylaw is altered, amended, or repealed by the Board or the Members, such change to the Bylaws shall be effective immediately following the vote on such change, and all Association activities subsequent to such vote shall be subject to such altered, amended, or repealed Bylaw.

IN WITNESS WHEREOF, we, being all of the Directors of Carriage Hills Community Improvement Association have hereunto set our hands this the 27 day of June, 2006.

[Signature]
Director

[Signature]
Director

[Signature]
Director

[Signature]
President

Attested to by:
[Signature]
Secretary
(Corporate Seal)

RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All black-outs, additions and changes were present at the time the instrument was filed and recorded.

FILED FOR RECORD

06 SEP -7 PM 1:15

[Signature]
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property at Montgomery County, Texas.

SEP 07 2006



[Signature]
County Clerk
Montgomery County, Texas