

FILED
In the Office of the
Secretary of State of Texas

SEP 2 1988

Corporations Section

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF

MOUNTAIN BROOK VILLAS ASSOCIATION, INC.

Pursuant to the provisions of Article 4.03 of the Texas Nonprofit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation which adds two new articles providing for limitation of liability of Directors and for indemnity of Directors and officers and other officials of the corporation.

ARTICLE ONE

The name of the corporation is MOUNTAIN BROOK VILLAS ASSOCIATION, INC.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the corporation on _____, 1988.

The Articles of Incorporation are hereby amended by adding thereto new Articles VIII and IX, to read as follows:

ARTICLE VIII

No Director is liable to the Corporation or its members for monetary damages for an act or omission in such Director's capacity as a Director, except for liability resulting from: (1) a Director's breach of duty or loyalty to the Corporation or its members; (2) a Director's act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (3) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of his/her office; (4) a Director's act or omission for which the liability or a Director is expressly provided by statute; or (5) a Director's act related to an unlawful payment of a dividend.

The foregoing provisions shall apply only to acts or omissions occurring on or after August 31, 1987.

ARTICLE IX

(a) Unless otherwise clearly indicated to the contrary by the context, each of the following terms shall have the meaning indicated below:

(1) Expenses: Any costs or expenses, including, but not limited to, court costs and attorney's fees.

(2) Indemnitee: Any person who is or was a Director, officer, employee or agent of the Corporation, and any person who serves or served at the request of the Corporation as a director, officer, employee, agent, partner, venturer, proprietor, trustee or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

(3) Proceeding: Any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, and any appeal with regard to such an action, suit, or proceeding, and any inquiry or investigation that could lead to such a threatened or pending action, suit, proceeding, or appeal.

(b) In the case of a Proceeding against an Indemnitee, the Corporation shall indemnify an Indemnitee to the extent provided herein, if such Indemnitee satisfies the standards provided herein, against judgments, penalties, fines, settlements, and reasonable Expenses actually incurred in connection with the Proceeding.

(c) In the case of a Proceeding against an Indemnitee, such Indemnitee shall be indemnified only if he/she is wholly successful on the merits or otherwise, in the defense of the Proceeding or if it is determined pursuant to the provisions hereof, that: (i) such Indemnitee conducted himself/herself in good faith; and (ii) in the case of conduct in his/her official capacity, that such Indemnitee reasonably believed that his/her conduct was in the Corporation's best interest; (iii) in the case of any criminal Proceeding, such Indemnitee had no reasonable cause to believe his/her conduct was unlawful; and (iv) in all

other cases, such Indemnitee reasonably believed that his/her conduct was at least not opposed to the Corporation's best interest.

(d) Except to the extent permitted below, an Indemnitee shall not be indemnified in respect of any Proceeding as to which such Indemnitee has been found liable on the basis that personal benefit was improperly received by him/her or where he/she is liable to the Corporation unless (and only to the extent that) a court, upon application, orders indemnification as it determines is proper and equitable.

(e) An Indemnitee may be indemnified for reasonable Expenses actually incurred by him/her in connection with a Proceeding where he/she is found liable to the Corporation or where he/she is found liable on the basis that personal benefit was improperly received by him/her provided it is determined, pursuant to the provisions hereof, that: (i) the requirements of (c) herein are satisfied; and (ii) such Expenses are reasonable. Notwithstanding the above, an Indemnitee shall not be indemnified with respect to any Proceeding where he/she is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by him/her and where he/she is found liable for willful or intentional misconduct in the performance of his/her duty to the Corporation.

(f) The termination of a Proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not satisfy the standards herein. A person shall be deemed to have been found liable in respect to any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

(g) A determination that the standards hereof have been satisfied must be made: (i) by a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the Proceeding; or (ii) if such a quorum cannot be so obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors consisting solely of two or more Directors who at the

time of the vote are not named defendants or respondents in the Proceeding; or (iii) by special legal counsel selected by the Board of Directors or by a committee of the Board of Directors by vote as set forth in (i) or (ii) above, or if such a quorum cannot be obtained and such a committee cannot be established by a majority vote of the Directors; or (iv) by the Shareholders in a vote that excludes the shares held by Directors who are named defendants or respondents in the Proceeding or by a court of competent jurisdiction.

(h) Anyone making a determination hereunder may determine that a person has met the standards as to some matters but not as to others and may reasonably prorate amounts to be indemnified.

(i) The Corporation may pay or reimburse in advance reasonable Expenses in advance of the final disposition of the Proceeding which may become subject to indemnification hereunder after: (i) the Corporation receives a written affirmation by the Indemnitee of his/her good faith belief that he/she has met the standards of conduct necessary for indemnification hereunder; and (ii) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed if it is ultimately determined that such Indemnitee has not met the requirements hereof, has been received by the Corporation.

(j) The indemnification provided herein shall not be exclusive of any rights to which a person may be entitled by law, agreement, vote of the disinterested Shareholders, disinterested Directors, or otherwise.

(k) The indemnification provided herein shall continue as to an Indemnitee who has ceased to hold a position named in (a)(2) herein and shall inure to the benefit of his/her heirs, executors and administrators.

(l) The Corporation may purchase and maintain insurance or another arrangement on behalf of any Indemnitee with regard to any liability which might be asserted against him/her and arising out of his/her status as an Indemnitee, whether or not the Corporation would have the power to indemnify him/her hereunder and to the extent permitted under the Texas Business Corporation Act.

ARTICLE THREE

This amendment to the Articles of Incorporation was adopted in the following manner:

The amendment was adopted at a meeting of members held on July 17, 1988, at which a quorum was present, and the amendment received at least two-thirds of the votes which members present or represented by proxy at such meeting were entitled to cast.

Dated 7-17, 1988.

MOUNTAIN BROOK VILLAS
ASSOCIATION, INC.

By: Ida I. [Signature], President