

**FIRST AMENDMENT TO BYLAWS OF
EL PASO STONEGATE HOMEOWNER'S ASSOCIATION, INC.**

Pursuant to a meeting of the members of El Paso Stonegate Homeowner's Association, Inc., (the "Association") duly held on 21st of June, 2001, the Bylaws of the Association were amended as follows:

1. Article III, Page 3, Quorum. The first sentence of this paragraph is amended to read as follows:

"The presence at a meeting, in person or by proxy, of members entitled to cast twenty per cent (20%) of the votes of each class of the membership will constitute a quorum for any action, except as may otherwise be provided in the declaration, the articles of incorporation or these bylaws."

The remaining provisions of the paragraph shall remain as therein stated.

2. Article IV, Page 3, Number and Qualifications. This paragraph is amended to read as follows:

"Number and Qualifications of Directors. The affairs of the association will be managed by a board of directors consisting of not less than three (3) nor more than five (5), who need not be members of the association."

3. Article IV, Page 6, Term of Office. This paragraph is amended to read as follows:

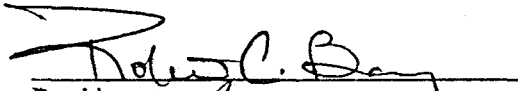
"Election and Term of Office. The directors shall be elected annually by the members entitled to vote, and will serve for a term of one (1) year, until their successors are elected, or their resignation, removal or death."


4. Article VII, Page 9. The third sentence of this article is amended, and two additional sentences are added, to read as follows:

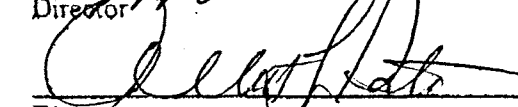
"If an assessment is not paid within five (5) days after the due date, the assessment bears interest from the date of delinquency at the rate of ten per cent (10%) per annum, and the association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the owner's lot, either judicially or non-judicially, according to law. In the event of non-judicial foreclosure, the board of directors shall appoint a trustee who shall conduct the non-judicial foreclosure as prescribed by Section 51.002 of the Texas Property Code, as the same shall be amended from time to time. The appointment of the trustee shall be pursuant to a resolution of the board of directors, and said resolution shall serve as the continuing appointment of said trustee for all subsequent non-judicial foreclosures that may be directed by the board of directors or its designated agents."

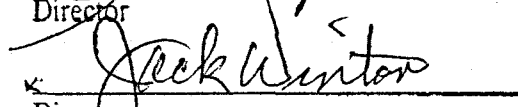
Other than the above revision, the said Article VII shall remain as stated.

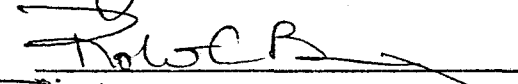
The above amendments shall be attached to the original Bylaws of the Association, and shall be read in conjunction therewith. All other provisions of the original Bylaws not altered or amended herein, shall remain in full force and effect.



President Manager


Director

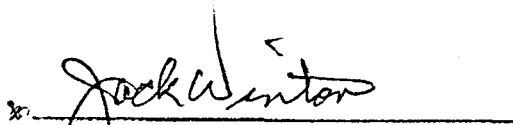

Director


Director


Director


Director

Certified as true and correct this 29th day of June, 2001.


Secretary