



Office of the Secretary of State

CERTIFICATE OF INCORPORATION OF

Midlothian Meadows V Homeowners' Association, Inc.
Filing Number: 800547439

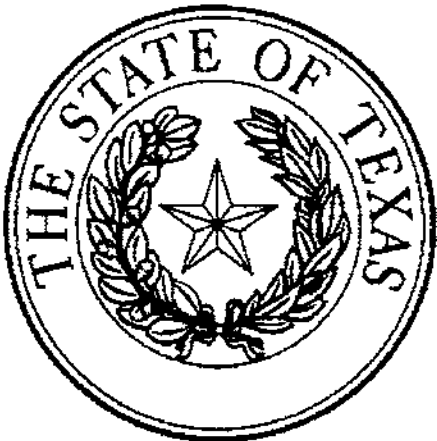
The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/20/2005

Effective: 09/20/2005



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

①

92/20

**CORPORATE CERTIFICATE
OF**

MIDLOTHIAN MEADOWS V HOMEOWNERS' ASSOCIATION, INC.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned ("Affiant") is the duly elected and acting Secretary, as indicated below, of **MIDLOTHIAN MEADOWS V HOMEOWNERS' ASSOCIATION, INC.**, a Texas non-profit corporation (the "Association"), and is authorized to execute and deliver this Certificate, and Affiant certifies as follows:

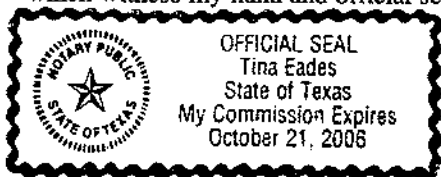
1. That the Association was formed for the maintenance, management, preservation, care and control of the common areas and related improvements provided in the residential area of **Midlothian Meadows V**, a residential subdivision situated in the City of **Midlothian**, County of **Ellis**, State of **Texas** (the "Property"), such Property described in that certain Declaration of Covenants, Conditions and Restrictions for **Midlothian Meadows V** (the "Declaration"), filed on **October 10, 2005**, in **Volume 02164, Page 1450** in the Real Property Records of **Ellis County, Texas**, which Property is platted as **Midlothian Meadows V**, as approved by the City of **Midlothian**, **Ellis County, Texas**, and filed of record on **January 18, 2005**, **Instrument Number 0501814** of the Plat Records of **Ellis County, Texas**, and the owners of the Property are subject to any rules, regulations and restrictions promulgated by the Association.
2. That a true, complete and correct copy of the Articles of Incorporation of the Association, filed with the Secretary of State of Texas on **September 20, 2005**, is attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.
3. That a true, complete and correct copy of the Bylaws of the Association, as of the date thereof, is attached hereto as Exhibit "B" and incorporated herein by reference for all purposes.
4. That pursuant to the Declaration, the Association has the authority to publish and adopt rules, regulations and building guidelines, and any such items that supplement the dedicatory instruments of the Association described above and which are applicable to the Property which shall be made available to any owner or prospective owner or other party contemplating obtaining an interest in any portion of the Property upon request to the Secretary of the Association.
5. That neither the Articles of Incorporation nor the Bylaws of the Association attached hereto have been amended, modified or rescinded as of the date hereof, and any amendments or modifications to any such dedicatory instruments which are effective after the date hereof may be obtained upon request to the Secretary of the Association.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 16th day of April, 2006.

AFFIANT:

Gail Spangler
Gail Spangler, Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on the 16th day of April, 2006, to certify which witness my hand and official seal.



Tina Eades
NOTARY PUBLIC, STATE OF TEXAS
Printed Name: Tina Eades
My Commission Expires: 10-21-2006

Secretary of State
 Box 13697
 Austin, TX 78711-3697
 FAX: 512/463-5709

Filing Fee: \$25



**Articles of Incorporation
 Pursuant to Article 3.02
 Texas Non-Profit
 Corporation Act**

Filed in the Office of the
 Secretary of State of Texas
 Filing #: 800547439 09/20/2005
 Document #: 103814490003
 Image Generated Electronically
 for Web Filing

Article 1 - Corporate Name

The corporation formed is a non-profit corporation. The name of the corporation is as set forth below:

Midlothian Meadows V Homeowners' Association, Inc.

The name must not be the same as, deceptively similar to that of an existing corporate, limited liability company, or limited partnership name on file with the secretary of state. A preliminary check for the "name availability" is recommended.

Article 2 - Registered Agent and Registered Office (Select and complete either A or B and complete C)

☒ A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

Real Estate Development Services

OR

☐ B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

C. The business address of the registered agent and the registered office address is:

Street Address:

**400 N. Saint Paul St.
 Suite 1300 Dallas TX 75201**

Article 3 - Management (Complete items A or B)

☐ A. Management of the affairs of the corporation is to be vested in the members of the corporation.

OR

☒ B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Tina Eades**

Title: **Director**

Street Address: **400 N. Saint Paul St. Suite 1300 Dallas TX, USA 75201**

Director 2: **Gail Spangler**

Title: **Director**

Street Address: **400 N. Saint Paul St. Suite 1300 Dallas TX, USA 75201**

Director 3: **Derek Ryan**

Title: **Director**

Street Address: **400 N. Saint Paul St. Suite 1300 Dallas TX, USA 75201**

Article 4 - Organization Structure

☒ A. The corporation will have members.

☐ B. The corporation will not have members.

Article 5 - Duration

The period of duration is perpetual.

Article 6 - Purpose

The corporation is organized for the following purpose or purposes:
The purposes for which the Association is formed are to provide for the maintenance, preservation and management of the land located in Midlothian Meadows V, which is an addition to the City of Midlothian (the "City"), Ellis County (the "County"), Texas.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Effective Date of Filing

☒ A. This document will become effective when the document is filed by the secretary of state.

OR

☐ B. This document will become effective at a later date, which is not more than ninety (90) days from the date of its filing by the secretary of state. The delayed effective date is:

Name Reservation Document Number

Incorporator

name and address of the incorporator is set forth below.

Tina Eades 400 N. Saint Paul St., Suite 1300, Dallas TX 75201

EXECUTION

The undersigned incorporator of these articles of incorporation subject to the penalties imposed by law for the submission of a false or fraudulent document.

Tina Eades

Signature of Incorporator.

FILING OFFICE COPY

**BYLAWS
OF
MIDLOTHIAN MEADOWS V HOMEOWNERS' ASSOCIATION, INC.
(A Texas Non-Profit Corporation)**

ARTICLE I

DEFINITIONS

1.01 Definitions.

(a) All terms used herein, such as (but not by way of limitation) "owners", "lot", "land", "Areas of Common Responsibility", "Developer", "Declarant" and "assessments" shall have the same meanings as set forth in that certain Declaration of Covenants, Conditions and Restrictions for **Midlothian Meadows V** (the "Declaration") filed of record in the Real Property Records of Ellis County, Texas, on **October 10, 2005**, in **Volume 02164, Page 1450** which affects that certain real property described in *Exhibit A* and known as **Midlothian Meadows V**.

(b) "Act" shall refer to the Texas Non-Profit Corporation Act, as amended from time to time.

ARTICLE II

NAME

2.01 Name. The name of this corporation shall be **Midlothian Meadows V Homeowners' Association, Inc.** (hereinafter called the "Association").

ARTICLE III

OFFICES OF THE ASSOCIATION

3.01 Principal Office. The initial principal office of the Association shall be located at **400 N. Saint Paul Street, Suite 1300, Dallas, Texas 75201**, but meetings of members and directors may be held at such place within the State of Texas as may be designated by the Board of Directors.

3.02 Other Offices. The Association may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or as the business of the Association may require.

ARTICLE IV

ASSOCIATION RESPONSIBILITIES AND MEETINGS OF MEMBERS

4.01 Association Responsibilities. The members will constitute the Association, which shall be responsible for administering and enforcing the covenants, conditions and restrictions contained in the Declaration, including with respect to the collection and disbursement of charges and assessments as provided therein, and coordinating with other homeowners' associations in the adjacent subdivisions in administering and enforcing such covenants, conditions and restrictions through their respective boards of directors. In the event of any dispute or disagreement between any members relating to the land, or any questions of interpretation or application of the provisions of the Declaration, Articles of Incorporation or these Bylaws, such dispute or disagreement shall be submitted to the Board of Directors of the Association. The resolution of such dispute or disagreement by such Board of Directors shall be binding on each and all such members, subject to the right of members to seek other remedies provided by law after such determination by such Board of Directors.

4.02 Place of Meeting. Meetings of the Association shall be held at such suitable place, reasonably convenient to the members, within the State of Texas, County of Dallas, as the Board of Directors may determine.

4.03 Annual Meetings. The first meeting of the Association shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter unless otherwise determined by the Board. At such meetings, there shall be elected a Board of Directors by ballot of the members in accordance with the requirements of Article V of these Bylaws. The members may also transact such other business of the Association as may properly come before them at such meeting. If the day 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 such day which is not a legal holiday.

4.04 Special Meetings. It shall be the duty of the President of the Association to call a special meeting of the members as directed by resolution of the Board of Directors or upon receipt of a written request of members entitled to vote at least one-fourth (1/4) of all of the votes of either class of membership. No business except as stated in the notice shall be transacted at a special meeting of the members. Any such meetings shall be held after the first annual meeting and shall be held within forty-five (45) days after receipt by the President of such request or petition.

4.05 Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Secretary or Assistant Secretary of the Association not less than fifteen (15) nor more than thirty (30) days before the date of the meeting, either personally or by mail, to each member of record entitled to vote at such meeting. 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 books of the Association, with postage thereon prepaid. Business transacted at any special meeting shall be confined to the purposes stated in the notice or waiver thereof.

4.06 Quorum. The holders of one-tenth (1/10) of the votes of each class of membership, represented in person or by proxy, shall constitute a quorum for any meetings of members except as otherwise provided in the Articles of Incorporation, the Declaration or the Bylaws. If, however, such quorum shall not be present or represented at any meeting of the members, the members present, or represented by proxy, shall have the 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. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

4.07 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of his lot.

4.08 Voting by Association and Members. The Association shall not be a voting member of the Association by virtue of its ownership of any lot. Each member may vote the number of votes and in the manner set forth in the Declaration and Articles of Incorporation.

4.09 Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) roll call and certifying proxies;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading and disposal of unapproved minutes of prior meetings;
- (d) reports of officers;
- (e) reports of committees;
- (f) election of directors;
- (g) unfinished business;
- (h) new business; and
- (i) adjournment.

4.10 Membership List. The officer or agent having charge of the membership books shall make, at least five (5) days before each meeting of members, a complete list of the members

entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and number of votes held by each, which list, for a period of five (5) days prior to such meeting, shall be kept on file at the principal office of the Association, and shall be subject to inspection by any member at any time during 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. The original member books shall be prima facie evidence as to who are the members entitled to examine such list or to vote at any such meeting of members.

4.11 Action Taken Without a Meeting. Any action required by statute to be taken at an annual or special meeting of the members, or any action which is otherwise permitted by law or by these Bylaws, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all of 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 members. Subject to the provisions required or permitted by statute for notice of meetings, unless otherwise restricted by the Articles of Incorporation or these Bylaws, the members may participate in and hold a meeting by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other.

ARTICLE V

BOARD OF DIRECTORS

5.01 Number and Qualification. Until the first meeting of the Association, the affairs of the Association shall be governed by a Board of Directors consisting of the three (3) persons delineated in the Articles of Incorporation of the Association. At such first meeting, there shall be elected three (3) directors to the Board of Directors who shall thereafter govern the affairs of the Association until their successors have been duly elected and qualified.

5.02 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 the land in keeping with the character and quality of the area in which it is located. The business and affairs of the Association shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Articles of Incorporation, these Bylaws or the Declaration directed or required to be exercised or done by the members.

5.03 No Waiver of Rights. The omission or failure of the Association or any member to enforce the covenants, conditions, restrictions, easements, uses, liens, limitations, obligations or other provisions of the Declaration, these Bylaws or the rules and regulations adopted pursuant thereto or hereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors shall have the right to enforce the same at any time thereafter.

5.04 Election and Term of Office. At the first meeting of the Association, the term of office for three (3) Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided herein.

5.05 Vacancies. Vacancies in the Board of Directors caused by death, resignation or disqualification (i.e., by any reason other than the removal of a Director by a vote of the Association as set forth in Section 5.06 hereof) shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until his successor is elected at the next annual meeting of the Association to serve out the unexpired term (if any) of his predecessor in office. Vacancies in the Board of Directors caused by a removal of a Director by a vote of the Association shall be filled in the manner set forth in Section 5.06 hereof.

5.06 Removal of Directors. At any annual or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by the affirmative vote of a majority of members of each class entitled to vote who are present at a meeting at which a quorum is present, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

5.07 Organizational Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the members at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the members to fix the time and place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the members, the meeting shall be held within ten (10) days after the annual meeting of the members at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a quorum of the Board of Directors shall be present.

5.08 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

5.09 Special Meetings. Special meetings of the Board of Directors may be called by the President upon five (5) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President, Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one (1) or more Directors.

5.10 Meeting by Telephonic Means. Members of the Board of Directors may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 5.10 shall constitute presence in person at the meeting.

5.11 Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

5.12 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors in office shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Directors present by proxy may not be counted toward a quorum. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

5.13 Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

5.14 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at any meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

5.15 Nomination and Election of Directors. 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 or representatives of a member 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. Such nominations may be made from members or non-members. The appropriate number of members of the Board of Directors shall be elected at the annual meeting of members of the Association, which members of the Association shall vote the number of votes and in the manner set forth in the Declaration and the Articles of Incorporation.

ARTICLE VI

OFFICERS

6.01 Designation. The officers of the Association shall be a President, one (1) or more Vice-Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, appoint. Such officers need not be members of the Board of Directors. The office of President and Treasurer may be held by the same person, and the office of Vice-President and Secretary or Assistant Secretary may be held by the same person.

6.02 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors, and such new officers shall hold office subject to the continuing approval of the Board of Directors.

6.03 Resignation and Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor appointed at any regular or special meeting of the Board of Directors called for such purpose. An officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date such notice is received, or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.04 Vacancies. A vacancy in any office due to the death, resignation, removal or other disqualification of the officer previously filling such office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

6.05 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association, or as may be established by the Board of Directors or by the members of the Association at any annual or special meetings.

6.06 Vice-President. The Vice-President shall have all the powers and authority and perform all the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties, and shall also perform any duties he is directed to perform by the President.

6.07 Secretary.

(a) The Secretary shall keep all of the minutes of the meetings of the Board of Directors and the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties incident to the office of Secretary as provided in the Declaration, Bylaws and Articles of Incorporation.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of the members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6.08 Assistant Secretary. The Assistant Secretary, if any, shall have all the powers and authority to perform all the functions and duties of the Secretary in the absence of the Secretary or in the event of the Secretary's inability for any reason to exercise such powers and functions or to perform such duties, and also to perform any duties as directed by the Secretary.

6.09 Treasurer.

(a) The Treasurer shall have custody of and be responsible for Association funds and for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

(b) The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer, and of the financial condition of the Association.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

7.01 Indemnification.

(a) The Association shall indemnify, to the extent provided in the following paragraphs, any person who is or was a director, officer, agent or employee of the Association. In the event the provisions of indemnification set forth below are more restrictive than the provisions of indemnification allowed by Article 1396-2.22A of the Texas Non-Profit Corporation Act (the "Act"), then such persons named above shall be indemnified to the full extent permitted by the Act as it may exist from time to time.

(b) In case of a threatened or pending suit, action or proceeding (collectively, "Suit"), whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), against a person named in paragraph (a) above by reason of such person's holding a position named in such paragraph (a), the Association shall indemnify such person, if such person satisfies the standard contained in paragraph (c) below, for amounts actually and reasonably incurred by such person in connection with the defense or settlement of the Suit as expenses (including court costs and attorneys' fees), amounts paid in settlement, judgments, penalties (including excise and similar taxes), and fines.

(c) A person named in paragraph (a) above will be indemnified only if it is determined in accordance with paragraph (d) below that such person:

(i) acted in good faith in the transaction which is the subject of the Suit;
and

(ii) reasonably believed:

(A) if acting in his or her official capacity as director, officer, agent or employee of the Association, that his or her conduct was in the best interests of the Association; and

(B) in all other cases, his or her conduct was not opposed to the best interests of the Association; and

(iii) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that such person failed to satisfy the standard contained in this paragraph (c).

(d) A determination that the standard in paragraph (c) above has been satisfied must be made:

(i) by the Board of Directors 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 quorum cannot be 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 (2) 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 a committee of the Board of Directors by vote as set forth in subparagraphs (i) or (ii) above, or, if

such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(e) Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by subparagraph (d)(iii) above for the selection of special legal counsel.

(f) The Association may reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under paragraphs (a) through (e) above, but only in accordance with the provisions as stated in paragraph (d) above, and only after the person to receive the payment (i) signs a written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under paragraph (c) above, and (ii) undertakes in writing to repay such advances if it is ultimately determined that such person is not entitled to indemnification by the Association. The written undertaking required by this paragraph must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

(g) The indemnification provided by paragraphs (a) through (e) above will not be exclusive of any other rights to which a person may be entitled by law, bylaw, agreement, vote of members or disinterested Directors, or otherwise.

(h) The indemnification and advance payment provided by paragraphs (a) through (f) above will continue as to a person who has ceased to hold a position named in paragraph (a) above and will inure to such person's heirs, executors and administrators.

(i) The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in paragraph (a) above against any liability incurred by such person in any such position, or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under paragraphs (a) through (f) above.

(j) Indemnification payments and advance payments made under paragraphs (a) through (i) above are to be reported in writing to the members of the Association in the next notice or waiver of notice of annual meeting, or within twelve (12) months after the payments are made, whichever is sooner.

(k) All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of, or in connection with, the foregoing indemnification provisions shall be treated and handled by the Association as an expense subject to special assessment,

7.02 Other. The Board of Directors, officers, or representatives of the Association shall enter into contracts or other commitments as agents for the Association, and they shall have no

personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners).

7.03 Interested Directors and Officers.

(a) If paragraph (b) below is satisfied, no contract or transaction between the Association and any of its Directors or officers (or any other corporation, partnership, association or other organization in which any of them directly or indirectly have a financial interest) shall be void or voidable solely because of this relationship or because of the presence or participation of such Director or officer at the meeting of the Board of Directors or committee thereof which authorizes such contract or transaction, or solely because such person's votes are counted for such purpose.

(b) The contract or transaction referred to in paragraph (a) above will not be void or voidable if:

(i) the contract or transaction is fair to the Association as of the time it is authorized, approved or ratified by the Board of Directors, a committee of the Board of Directors, or the members; or

(ii) the material facts as to the relationship or interest of each such Director or officer as to the contract or transaction are known or disclosed (A) to the members entitled to vote thereon and they nevertheless in good faith authorize or ratify the contract or transaction by a majority of the members present, each such interested person to be counted for quorum and voting purposes, or (B) to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee nevertheless in good faith authorizes or ratifies the contract or transaction by a majority of the disinterested Directors present, each such interested Director to be counted in determining whether a quorum is present but not in calculating the majority necessary to carry the vote.

(c) The provisions contained in paragraphs (a) and (b) above may not be construed to invalidate a contract or transaction which would be valid in the absence of such provisions.

ARTICLE VIII

AMENDMENTS TO BYLAWS

8.01 Amendment to Bylaws. 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 in good standing and present in person or by proxy; provided, however, that such authority may be delegated by the majority of such members to the Board of Directors if allowed by the Act. In connection therewith, the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") and/or the U.S. Department of Housing and Urban Development ("HUD") shall have the right to veto any amendments to these Bylaws as long as there is a Class B membership but only if the

FHA or VA has approved the subdivision and has insured any mortgages secured by first liens on the lots and houses in the subdivision. 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 IX

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS

9.01 Proof of Ownership. Except for those owners who purchase a lot from Developer, any person, on becoming an owner of a lot, shall furnish to the Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest or ownership in the lot, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first met.

9.02 Registration of Mailing Address. The owner or several owners of a lot shall have the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons to be used by the Association. Such registered address of an owner or owners shall be deemed to be the mailing address of the lot owned by said owner or owners unless a different registered address is furnished by such owner(s) to the Board of Directors within fifteen (15) days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the owners of the lot or by such person(s) as are authorized by law to represent the interest of all of the owner(s) thereof.

ARTICLE X

GENERAL

10.01 Assessments and Liens. As more fully provided in the Declaration, each Member shall pay to the Association annual and special assessments which are secured by a continuing lien upon the lot against which the assessment is made.

10.02 Abatement and Enjoinment. The violation of any rule or regulation, or the breach of any Bylaw or any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in the Declaration or herein, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such violation or breach.

10.03 Committees. The Association may appoint an Architectural Control Committee, subject to the terms of and as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

10.04 Books and Records. The books, records and accounts of the Association shall, at reasonable times upon reasonable written notice, be subject to inspection by any member at such member's sole cost and expense. 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, and copies of such documents may be purchased from the Association at a reasonable cost.

10.05 Non-Profit Association. This Association is not organized for profit. No member of the Association, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any member of the Board of Directors, officer or member; provided, however, that (a) reasonable compensation may be paid to any member, Director or officer while acting as an agent or employee of a third party for services rendered to the Association in effecting one or more of the purposes of the Association, and (b) any member, Director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

10.06 Execution of Documents. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the President or any Vice President, and the Secretary or any Assistant Secretary, of the Association.

10.07 Proxy for Beneficiary or Mortgagee Under Deed of Trust. Owners shall have the right to irrevocably constitute and appoint their Mortgagees their true and lawful attorney to vote their lot membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominees any and all rights, privileges and powers that they have as owners under the Bylaws of this Association or by virtue of the Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary or Assistant Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association or the owners to carry out their duties as set forth in the Declaration. Such proxy shall be valid until such time as a release of the beneficiary's deed of trust is executed and a copy thereof delivered to the Secretary or Assistant Secretary of the Association, which shall operate to revoke such proxy. Such proxy may be terminated prior to such revocation by the beneficiary's delivering written notice of such termination to the Secretary or Assistant Secretary of the Association. Nothing herein contained shall be construed to relieve owners of, or to impose upon the beneficiary of the Deed of Trust, the duties and obligation of an owner.

10.08 Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article or Section of these Bylaws be in conflict with the provisions of the Act or any other Texas law, such Act or law shall control, and should any part of

these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall be valid and operative.

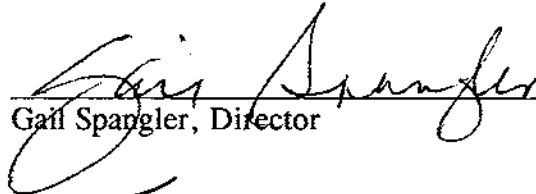
10.09 Notices. All notices to members of the Association shall be given by delivering the same to each owner in person or by depositing the notices in the U.S. Mail, postage prepaid, addressed to each owner at the address last given by each owner to the Secretary of the Association. If an owner shall fail to give an address to the Secretary for mailing of such notices, all such notices shall be sent to the street address of the lot of such owner. All owners shall be deemed to have been given notice of the meetings upon the proper mailing of the notices to such addresses irrespective of the actual receipt of the notices by the owners.

10.10 Fiscal Year. 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 of the Association.

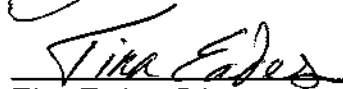
Signed this 5th day of April, 2006, and effective as of the 20th day of September, 2005.



R. Derek Ryan, Director



Gail Spangler, Director



Tina Eades, Director

ACKNOWLEDGMENTS

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared **R. Derek Ryan**, Director of **Midlothian Meadows V Homeowners' Association, Inc.**, a Texas non-profit corporation, known to me to be the person and director whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 5 day of April, 2006.



Teresa G Prewitt
NOTARY PUBLIC, STATE OF TEXAS
Printed Name: Teresa G Prewitt
My Commission Expires: 6-21-08

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared **Gail Spangler**, Director of **Midlothian Meadows V Homeowners' Association, Inc.**, a Texas non-profit corporation, known to me to be the person and director whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 5 day of April, 2006.



Teresa G Prewitt
NOTARY PUBLIC, STATE OF TEXAS
Printed Name: Teresa G Prewitt
My Commission Expires: 6-21-08

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared **Tina Eades**, Director of **Midlothian Meadows V Homeowners' Association, Inc.**, a Texas non-profit corporation, known to me to be the person and director whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 5 day of April, 2006.



Teresa G Prewitt
NOTARY PUBLIC, STATE OF TEXAS
Printed Name: Teresa G Prewitt
My Commission Expires: 6-21-08

Exhibit "A"
Real Property Description

Being a tract of land situated in the A.W. Crawford Survey, Abstract No. 1274 and the John B. Garvin Survey, Abstract No. 492, City of Midlothian, Ellis County, Texas and being part of a tract of land conveyed to Midlothian Investments, recorded in Volume 861, Page 52, Deed Records, Ellis County, Texas, being part of a tract of land conveyed to Midlothian-Tarver North, LTD. No. 230, recorded in Volume 1319, Page 698, Deed Records, Ellis County, Texas, part of a tract of land conveyed to Hilltop Acres, LTD No. 236, recorded in Volume 1308, Page 446, Deed Records, Ellis County, Texas, part of a tract of land conveyed to T. A. Powers by deed recorded in Volume 717, Page 705, Deed Records, Ellis County, Texas, part of a tract of land conveyed to TIVC, Inc. by deed recorded in Volume 1263, Page 441, Deed Records, Ellis County, Texas and being part of U. S. Highway 287 Bypass (to be abandoned) and being more particularly described as follows:

Beginning at a capped 1/2" iron rod found at the southeast corner of said Midlothian Investments tract and the southwest corner of Lot 9, Block 3, of Ridgeview Addition, Unit Four, Phase IV, an addition to the City of Midlothian, according to the plat thereof recorded in Cabinet E, Slide 247, Plat Records, Ellis County, Texas, said point being on the north line of said Midlothian-Tarver North, LTD. No. 230 tract;

Thence, South 89°37'22" East, along the north line of said Midlothian-Tarver North, LTD. No. 230 and the south line of Lots 8 & 9, of said Block 3, a distance of 287.49 feet to a capped 1/2" iron rod found at the northwest corner of Lot 1, Block 9, of Midlothian Meadows, Phase III, an addition to the City of Midlothian, according to the plat thereof recorded in Cabinet C, Slide 776, Plat Records, Ellis County Texas from which a 1/2" iron rod found bears South 70°52'01" East, a distance of 2.89 feet;

Thence, South 00°45'23" East, along the west line of said Midlothian Meadows, Phase III and the west line of Lots 2 thru 10, Block 2 of Midlothian Meadows, Phase IV, an addition to the City of Midlothian, according to the plat thereof recorded in Cabinet D, Slide 162, Plat Records, Ellis County, Texas, a distance of 934.00 feet to a capped 5/8" iron rod set for the southwest corner of said Lot 10;

Thence, South 89°11'39" East, along the south line of said Midlothian Meadows, Phase IV, a distance of 190.20 feet to a capped 5/8" iron rod set for corner on the west line of a tract of land conveyed to Oak Crest Baptist Church by deed recorded in Volume 781, Page 424, Deed Records, Ellis County, Texas;

Thence, South 00°34'03" West, along the west line of said Oak Crest Baptist Church, a distance of 287.02 feet to a 5/8" iron rod found on the northeasterly right-of-way line of U.S. 287 Bypass as described in Volume 1681, Page 272, Deed Records, Ellis County, Texas;

Thence, northwesterly along the northeasterly right-of-way line of said U.S. 287 bypass the following:

North 80°08'25" West, a distance of 213.78 feet to a 1/2" iron rod found for corner;
North 80°09'27" West, a distance of 241.48 feet to a capped 1/2" iron rod found for corner;
North 39°02'09" West, a distance of 468.22 feet to a 5/8" iron rod found for corner;
North 29°47'08" West, a distance of 164.87 feet to an aluminum disk found for corner;
North 11°01'35" East, a distance of 257.28 feet to a 5/8" iron rod found for the beginning of a non-tangent curve to the left having a central angle of 57°47'25", a radius of 335.00 feet, a chord which bears North 17°52'07" West, a distance of 323.75 feet and an arc distance of 337.89 feet to an aluminum disk found for the beginning of a non-tangent curve to the right, having a central angle of 40°26'21", a radius of 275.00, a chord which bears North 26°32'35" West, a distance of 190.09 feet and an arc distance of 194.09 feet to an aluminum disk found on the occupied east right-of-way line of Walter Stephenson Road;

Thence, South 00°09'36" West, along the occupied east right-of-way line of Walter Stephenson Road, a distance of 253.43 feet to a 1/2" iron rod found on the south line of said Midlothian Investments tract;

Thence, North 89°17'57" West, along the south line of said Midlothian Investments tract, a distance of 18.11 feet to a point in Walter Stephenson Road at the southwest corner of said Midlothian Investments tract;

Thence, North 00°14'36" East, along Walter Stephenson Road and the west line of said Midlothian Investments tract, a distance of 1010.85 feet to a point in Walter Stephenson Road at the northwest corner of said Midlothian Investments tract;

Thence, North 89°18'26" East, along the north line of said Midlothian Investments tract, at a distance of 14.83 feet a 1/2" iron rod found and in all a distance of 25.14 feet to a point for corner;

Thence, North 00°08'25" East, along the east right-of-way line of Walter Stephenson Road, a distance of 26.32 feet to a capped 5/8" iron rod set for corner;

Thence, South 89°53'38" East, a distance of 407.71 feet to a capped 5/8" iron rod set on the east line of said Midlothian Investments tract and on the west line of said Ridgeview Addition, Unit Four, Phase IV;

Thence, South 00°03'32" East, along the west line of said Ridgeview Addition, Unit Four, Phase IV, a distance of 1042.09 feet to the Point of Beginning and containing 950,362 square feet or 21.817 acres of land.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

MIDLOTHIAN MEADOWS V

02164 1450
VOL. PG.

STATE OF TEXAS §
 §
COUNTY OF ELLIS §

KNOW ALL MEN BY THESE PRESENTS:

That this **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR Midlothian Meadows V** (this "Declaration"), is made on the date hereinafter set forth by Mid Meadows V, LP., a Texas limited partnership, for the purpose of evidencing the covenants, conditions and restrictions contained herein.

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property platted as Midlothian Meadows V, as approved by the City of Midlothian and filed of record on January 18, 2005, Instrument Number 0501814 of the Map Records of Ellis County, Texas, said subdivision hereinafter referred to as the "Development", and such plat, as may be amended or further replatted, being referred to as the "Plat", all of said real property, hereinafter referred to as the "Property", being more specifically described on the Plat of the Development which is incorporated herein and made a part hereof for all purposes.

WHEREAS, Declarant has deemed it desirable for the enforcement of the Declaration and the efficient preservation of the amenities in the Development, to create an Association (hereinafter defined) to which shall be delegated and assigned the power of administering and enforcing these assessments, conditions, covenants, easements, reservations and restrictions, including levying, collecting and disbursing the assessments; and

WHEREAS, there has been or will be incorporated, one or more non-profit corporations created under the laws of the State of Texas, including the first being the **Midlothian Meadows V Homeowners' Association, Inc.**, whose directors will establish Bylaws by which said Association shall be governed through its Board of Directors, for the purpose of exercising the functions aforesaid. No more than one such non-profit corporation shall be in existence at any one time.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following assessments, conditions, covenants, easements, reservations and restrictions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. These assessments, conditions, covenants, easements, reservations and restrictions shall run with the Property and be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of Declarant and each owner thereof.

ARTICLE I.

ADDITIONAL DEFINITIONS

1.1. **Association.** "Association" shall mean and refer to Midlothian Meadows V Homeowners' Association, Inc., its successors, assigns or replacements which has jurisdiction over all properties located within the Property encumbered under this Declaration, as same may be amended.

1.2. **Areas of Common Responsibility.** "Areas of Common Responsibility" shall mean those areas listed below which the Association shall maintain, upkeep and repair:

A. Any and all of the Common Area together with any and all now or hereafter existing improvements on, in or appurtenant to any Common Area such as temporary or permanent structures, recreational playing fields, and recreational amenities such as swimming pools, decks, patios, barbecues, picnic tables, etc.

B. Any and all landscaping, signage, monument signage, irrigation systems, lighting, fencing and other improvements located within any Common Area, and specifically including any and all entry way features, entry monuments, and perimeter screening walls circumscribing the Property in whole or in part, including the perimeter screening wall and entry feature(s).

1.3. **Builder.** "Builder" shall mean any homebuilder (which for purposes hereof shall be defined as any entity or person regularly engaged in the business of constructing single-family residences for the purpose of sale to third parties) owning Lots in the Development.

1.4. **Common Area.** "Common Area" shall mean those areas listed below:

A. The area shown on the Plat as Tract A.Park & Drainage Easement and 30' Access, Utility and Drainage Easement.

B. Any other portions of the Property as described or depicted on the Plat that do not constitute Lots, streets, roads or alleys.

1.5. **Declarant.** "Declarant" shall mean Mid Meadows V, LP a Texas limited partnership and any party to whom it shall expressly assign in writing, its rights, powers, privileges and prerogatives as the Declarant hereunder.

1.6. **City.** "City" shall mean the City of Midlothian, Texas.

1.7. **County.** "County" shall mean Ellis County, Texas.

1.8. **Home.** "Home" shall mean a single-family residential dwelling unit constructed on a Lot being a part of the Property, including the parking garage utilized in connection therewith and the Lot upon which the Home is located.

1.9. **Lienholder.** "Lienholder" or "Mortgagee" shall mean the holder of a first mortgage lien on any Home or Lot.

1.10. **Lot.** "Lot" or "Lots" shall mean and refer to the individual platted building lots depicted on the Plat of the Property, excluding open space, streets, alleys, and any Common Area or Areas of Common Responsibility. Where the context requires or indicates, the term Lot shall include the Home and all other improvements which are or will be constructed on the Lot.

1.11. **Member.** "Member" shall mean and refer to every person or entity who is a Class "A" Member or Class "B" Member of the Association as defined in Section 3.2 hereof. Declarant and each Owner shall be a Member in the Association.

1.12. **Owner.** "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot and shall include Declarant and any Builder, but shall exclude those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any Lienholder or Mortgagee who acquires fee simple title to any Lot which is a part of the Property, through deed in lieu of foreclosure or through judicial or nonjudicial foreclosure.

1.13. **Vehicle.** "Vehicle" shall mean any vehicle or equipment or machinery of any kind or type whatsoever, including any automobile, truck, sport utility vehicle, motorcycle, boat, jet ski or any similar type marine craft, mobile home, motor home, aircraft, boat trailer or any other kind of trailer.

ARTICLE II.

PROPERTY RIGHTS

2.1. **Maintenance of Areas of Common Responsibility by the Association.** The Association will be solely obligated to maintain and improve the Areas of Common Responsibility in a prudent manner to enhance the safety, security and overall appearance of the Development. As such, the Association shall not, except as the Association may reasonably deem appropriate to comply with applicable laws or to protect the health, safety or welfare of the Development or the Members, (i) cause any buildings or permanent structures to be constructed within the Areas of Common Responsibility other than as contemplated in this Declaration that would materially interfere with the use or enjoyment of such areas by all of the Members, or (ii) allow any material interference or conflict with the natural or planted vegetation or trees in the Areas of Common Responsibility. The Association shall have the following rights with regard to the Areas of Common Responsibility:

A. the right to dedicate or transfer all or any part of the Areas of Common Responsibility to any public agency or authority subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless (a) an instrument of agreement to such dedication or transfer, signed by the Association after receiving the approval of two-thirds (2/3) of the outstanding votes of each class of Members entitled to vote (determined pursuant to Section 3.2 hereof), is properly recorded in the Real Property Records of the County, (b) a written notice of proposed action under this Section is sent to every Owner (including Lienholder or Mortgagees) not less than thirty (30) days, nor more than sixty (60) days in advance of said action, and (c) the City consents in writing to the dedication or transfer;

B. the right to borrow money to be secured by a lien against the Areas of Common Responsibility; however, the rights under such improvement mortgage shall be subordinate and inferior to the rights of the Owners hereunder;

C. the right to make rules and regulations relating to the use of the Areas of Common Responsibility, including "fee-for-use" provisions or similar provisions for the use of

any amenity center or recreation facility such as any swimming pool or recreational playing fields; and

D. the right to entry upon the Areas of Common Responsibility and any access, maintenance or other easements on the Property for the purposes of maintaining or improving the Areas of Common Responsibility.

2.2. Title to Areas of Common Responsibility. After the recordation of this Declaration Declarant may, in Declarant's sole option, convey to the Association, without consideration, all right, title and interest of Declarant in and to the Areas of Common Responsibility owned by Declarant. Nothing contained herein shall create an obligation on the part of Declarant to establish any additional common areas or Areas of Common Responsibility.

ARTICLE III.

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Declarant, during the time it owns any Lots, and each person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Transfer of ownership, either voluntarily or by operation of law, shall terminate such Owner's membership in the Association, and membership shall be vested in the transferee; provided, however, that no such transfer shall relieve or release such Owner from any personal obligation with respect to assessments which have accrued prior to such transfer.

3.2. Voting Rights. The Association shall have two classes of voting membership.

A. **Class "A".** The Class "A" Members shall be all Owners except Declarant so long as Declarant is a Class "B" Member pursuant to Section 3.2.(b) below. The Class "A" Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

B. **Class "B".** The Class "B" Member shall be Declarant. Declarant shall be entitled to ten (10) votes for each Lot owned; provided however that Declarant shall cease to be a Class "B" Member and shall become a Class "A" Member entitled to one (1) vote per Lot on the happening of the earlier of the following events:

- (1) when the total votes entitled to be cast of the Class "A" Members equals the total votes entitled to be cast of in the Class "B" Members, or
- (2) the expiration of ten (10) years from the recording date of this instrument in the Real Property Records of the County, or
- (3) when the Declarant, in its sole discretion, so determines.

Notwithstanding the foregoing, Class "B" membership shall be reinstated at any time before the expiration of twenty (20) years from the recording date of this instrument in the Real Property Records of the County if additional Lots owned by Declarant are added or annexed to the scheme of this Declaration in sufficient numbers to restore the ratio of Lots owned by Declarant to the number required for Class "B" membership pursuant to this Section 3.2.

3.3. No Cumulative Voting; Eligibility to Vote. At all meetings of the Association, there shall be no cumulative voting. Prior to all meetings, the Board of Directors of the Association (the "Board of Directors", or the "Board") shall determine the total number of votes outstanding and entitled to vote by the Members. Eligibility to vote or serve as a representative, director or officer of the Association shall be predicated upon being a Member who must be in good standing with the Association. To be in good standing, the Member must have all assessments of every type and category paid up to date and have no outstanding financial obligations to the Association that are delinquent. Additionally, no Member shall be allowed to vote or hold office if that Member is noted within the records of the Association to have a current deed restriction violation on one or more Lots in the Development.

3.4. Association's Powers. In addition to the rights of the Association set forth in other sections of this Declaration, the Association shall have the duty to enforce the covenants, conditions and restrictions under this Declaration and maintain all Areas of Common Responsibility and shall have the right, power, and authority to do any act which is consistent with or required by the provisions of this Declaration or the Bylaws of the Association (the "Bylaws"), whether the same be expressed or implied, including but not limited to the following:

- A. The power to levy and collect Assessments (as hereinafter defined), of whatever nature for the maintenance, repair or replacement of the Areas of Common Responsibility and for such other purposes as are herein provided;
- B. The power to keep accounting records with respect to the Association's activities;
- C. The power to contract with and employ others for maintenance and repair; and
- D. The power to adopt rules and regulations concerning the operation of the Association including "fee-for-use" provisions or similar provisions for the use of any amenity center or recreation facility such as any swimming pool or recreational playing fields.

3.5. Notice and Quorum for any Action Authorized Under This Declaration. Written notice of any meeting called for the purpose of taking any action authorized under this Declaration shall be given to all Members not less than ten (10) days or more than sixty (60) days in advance of such meeting. At such meeting, the presence of Members or of written proxies entitled to cast twenty-five percent (25%) of all the votes entitled to be cast by Members of the Association entitled to vote shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

3.6. City's Rights. Should Declarant, the Association or its Board fail or refuse to maintain such Areas of Common Responsibility to City specifications for an unreasonable time, not to exceed ninety (90) days after written request to do so, the City, by and through a majority of the City Council members, shall have the same right, power and authority as is herein given to the Association and its Board to enforce this Declaration and levy Assessments in the manner set forth herein. It is understood that in such event, the City may elect to exercise the rights and powers of the Association or its Board, to

the extent necessary to take any action required and levy any Assessment that the Association might have, either in the name of the Association, or otherwise, to cover the cost of maintenance of such Areas of Common Responsibility.

3.7. Amenities. Notwithstanding anything set forth in this Declaration to the contrary, the Association may in its discretion permit parties other than Owners or parties living in the Development to have access to and use and enjoy any amenity center or recreational facility constructed in the Common Area, such as any swimming pool or recreational playing fields, upon such terms and conditions reasonably established by the Association, including establishing a "fee-for-use" or similar charges.

ARTICLE IV.

ASSESSMENTS, MAINTENANCE FUND AND ASSESSMENT LIENS

4.1. Creation of the Lien and Personal Obligation of Assessments. Subject to the terms hereof, each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, covenants and agrees to pay to the Association: (i) regular assessments or charges (ii) charges in connection with the transfer of a Lot, and (iii) special assessments (collectively, the "Assessments"). Such Assessments are to be fixed, established and collected as provided herein. Assessments, together with such interest thereon, costs of collection thereof, and costs of enforcement of this Declaration, as hereinafter provided, shall be a charge on the Lot and shall be secured by a continuing lien which is hereby created and impressed for the benefit of the Association upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest costs and reasonable attorney's fees for the collection thereof, shall also constitute a personal obligation of the person or entity who was the record Owner of such Lot at the time of the Assessment. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by such successors; however, the lien upon the Lot shall continue until paid.

4.2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners of the Lots, the improvement and maintenance of the Areas of Common Responsibility and any other property owned by the Association, and the performance and/or exercise of the rights and obligations of the Association arising hereunder. Assessments shall include, but not be limited to, funds to cover actual Association costs (including reasonable reserves) for all taxes, insurance, repair, replacement, maintenance and other activities as may from time to time be authorized by the Board of Directors; legal and accounting fees, and any fees for management services; expenses incurred in complying with any laws, ordinances or governmental requirements applicable to the Association or the Property; reasonable replacement and other reserves; and the cost of other facilities and service activities, including, but not limited to, mowing grass, grounds care, sprinkler system, landscaping, and other charges required or contemplated by this Declaration and/or that which the Board of Directors shall determine to be necessary or prudent to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein.

4.3. Basis and Maximum of Regular Assessments and Transfer Fees on the Sale of Lots.

A. The initial regular Assessment shall be an amount determined by the Board of Directors not to exceed Two Hundred Six and No/100 Dollars (\$206.00) per annum for each Lot.

B. From and after January 1 of the first full year after the date of recordation of this Declaration and each year thereafter, the maximum regular assessment may be increased by the Board of Directors by an amount up to ten percent (10%) over the preceding year's regular assessment. Any increase over and above ten percent (10%) of the previous year's regular assessment shall be done only by the prior approval of sixty-six and two-thirds percent (66-2/3%) of the outstanding votes of each class of Members entitled to vote (determined pursuant to Section 3.2 hereof) present at a meeting at which a quorum is present.

C. In addition to the regular assessment, as a condition to the sale of every Lot by an Owner (including Declarant), a transfer fee of One Hundred and No/100 Dollars (\$100.00) shall be charged to the purchaser of the Lot being conveyed and the pro-rata share of the regular assessments then due on such Lot shall be paid by the purchaser of the Lot to the Association. In addition to the transfer fees provided for herein, the Board of Directors may levy a capital improvement reserve fee, not to exceed \$100.00 per Lot, to be charged to each purchaser of a Lot being conveyed for the purpose of creating a reserve to defray the cost, in whole or in part, of any nonrecurring maintenance or of the acquisition, construction, reconstruction, repair or replacement of a capital improvement located on any Common Area. The transfer fees and capital improvement reserve fee provided for herein may be increased from time to time, subject to the limitations provided hereby for the capital improvement reserve fee, as determined and approved by the Board of Directors.

4.4. Special Assessments. In addition to the regular Assessment, the transfer fees and capital improvement reserve fee payable on the sale of Lots authorized above, the Association may levy, in any assessment year, a Special Assessment (herein so called) applicable to that year only, for the purpose of defraying, in whole or in part, the costs incurred by the Association pursuant to the provisions of this Declaration, provided that any such Special Assessment shall have the prior approval of sixty-six and two-thirds percent (66-2/3%) of the outstanding votes of each class of Members entitled to vote (determined pursuant to Section 3.2 hereof) present at a meeting at which a quorum is present. Any Special Assessments shall be prorated based on the period of time the Owner owns the Lot during such year.

4.5. Uniform Rate of Assessment. Both the regular and Special Assessments shall be fixed at a uniform rate for all Lots, and shall commence and be due in accordance with the provisions of Section 4.6 hereof. Each Owner, (other than Declarant who may pay the deficiency described below), shall pay one hundred percent (100%) of such Owner's the Assessments for each Lot owned.

4.6. Date of Commencement of Regular Assessments; Due Dates.

A. The obligation of Owners to pay regular assessments provided for herein shall commence as to each Lot upon its conveyance by Declarant to any person or entity that is not affiliated with Declarant. The Assessments shall then be due on such payment dates as may be established by the Board of Directors. Assessments shall be due and payable on an annual basis unless otherwise designated by the Board of Directors.

B. Declarant is not required to pay Assessments with respect to the Lots owned by Declarant. Declarant may, but shall have no obligation to, pay any deficiency resulting from the expenses of the Association exceeding the amount of the Assessments received from the Owners.

C. Unless provided above, the regular Assessments for the first Assessment year shall be fixed by the Board of Directors prior to the sale of the first Lot to an Owner other than

Declarant or a Builder. Except for the first Assessment year, the Board of Directors shall fix the amount of the regular Assessment at least thirty days in advance of each Assessment year, which shall be the calendar year; provided, however, that the Board of Directors shall have the right to adjust the regular Assessment upon thirty days written notice given to each Owner, as long as any such adjustment does not exceed the maximum permitted pursuant to Section 4.3 hereof. Written notice of the regular Assessment shall be given as soon as is practicable to every Owner subject thereto. The Association shall, upon demand at any time, furnish a certificate in writing signed either by the President, Vice President, Treasurer or other authorized representative of the Association setting forth whether the regular and Special Assessments on a specified Lot have been paid and the amount of any delinquency. A reasonable charge may be made by the Association for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

D. No Owner may exempt himself from liability for Assessments by waiver of the use or enjoyment of any portion of the Development or Areas of Common Responsibility or by abandonment of his Home or any Lot or improvements thereon.

4.7. Effect of Non-Payment of Assessments; Remedies of the Association.

A. All payments of the Assessments shall be made to the Association at its principal place of business or at such other place as the Association may otherwise direct or permit. Payment shall be made in full regardless of whether any Owner has any dispute with Declarant, a Builder, the Association, any other Owner or any other person or entity regarding any matter to which this Declaration relates or pertains. Payment of the Assessments shall be both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

B. Any Assessment provided for in this Declaration which is not paid when due shall be delinquent. If any such Assessment is not paid within thirty (30) days after the date of delinquency, the Assessment shall bear interest from the date of delinquency (with no notice required to be given), until paid, at the rate of eighteen percent (18%) per annum or the maximum rate allowed by law, whichever is the lesser. The Association may, at its option, bring an action at law against the Owner personally obligated to pay the same, or, upon compliance with the notice provisions hereof, foreclose the lien against the Lot as provided in Subsection 4.7(d) hereof. If any Owner is delinquent in paying its Assessments more than once in any twelve (12) month period, then in addition to the other rights and powers granted herein, the Board of Directors may impose a fine not to exceed \$500.00 for each such delinquent payment. There shall be added to and included in the amount of such Assessment any and all expenses or costs incurred by the Association in collecting any delinquent Assessment and foreclosing such lien, including said interest, fines, and reasonable attorneys' fees. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or in equity foreclosing such lien against such Owner. Under no circumstances, however, shall Declarant or the Association be liable to any Owner or to any other person or entity for failure or inability to enforce any Assessments.

C. No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided in less than thirty (30) days after the date a notice of claim of lien is deposited with the United States Mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the Owner of said Lot, and a copy thereof is recorded by the Association in the Office of the County Clerk of the County; said notice of claim must recite a good and sufficient legal description of the Lot, the record Owner or reputed Owner thereof, the

amount claimed (which may, at the Association's option, include interest on the unpaid Assessment at the rate set forth herein, plus attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Association.

D. Any such sale provided for above is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust, as set forth in Section 51.002 of the Property Code of the State of Texas (as it may be amended from time to time), or in any other manner permitted by law. Each Owner, by accepting a deed to a Lot, expressly grants to the Association a power of sale as set forth in said Section 51.002 of the Property Code, in connection with the Assessment lien. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

E. Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing or recording the lien and the release. The Assessment lien and the right to foreclosure sale hereunder shall be in addition to and not in substitution of all other rights and remedies which the Association and its successors or assigns may have hereunder and by law, including the right of suit to recover a money judgment for unpaid Assessments, as above provided.

F. In addition to the other rights and powers granted herein, the Board of Directors may suspend the right of an Owner to use any of the Areas of Common Responsibility during the period such Owner is delinquent in paying any Assessments. No Owner shall have the right to vote as a Member of the Association during the period that such Owner is delinquent in paying any Assessments. The Board of Directors may require that any delinquent Assessments be paid by cashier's or certified check or other good funds acceptable to the Board of Directors.

4.8. Subordination of Lien to Lienholders. The lien securing the Assessments provided for herein shall be expressly subordinate to the lien of any Lienholder. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot subject to a Lienholder mortgage pursuant to a decree of foreclosure or a non-judicial foreclosure under such Lienholder mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due, in accordance with the terms herein provided.

4.9. Management Agreements. The Association shall be authorized to enter into management agreements with third parties in connection with the operation and management of the Development and the performance of its obligations hereunder. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be canceled with or without cause and without penalty by either party with thirty (30) days written notice. Any and all management agreements shall be for a term not to exceed one year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type. The Association may, at its discretion, assume self management of the Development by the Association.

4.10. Insurance Requirements. The Association shall obtain insurance policies covering the Areas of Common Responsibility and covering all damage or injury caused by the negligence of the Association, and any of its employees, officers, directors and/or agents, and such insurance may include

commercial general liability insurance, directors and officers liability insurance, and such other insurance as the Association may from time to time deem necessary or appropriate.

ARTICLE V.

ARCHITECTURAL REVIEW COMMITTEE

5.1. Appointment of Members. An Architectural Control Committee (the "Committee"), which shall consist of three (3) members who shall be natural persons and who may or may not be employed by Declarant shall initially be appointed by Declarant. All matters before the Committee shall be decided by majority vote of its members. The members of the Committee shall serve until they resign or are removed by the party appointing them to the Committee (which the appointing party may do at any time). Subsequent appointments to the Committee shall be made by Declarant until such time as Declarant either relinquishes such power by written notice to the Board of Directors or all of the Lots owned by Declarant (as the same may be added or annexed to this Declaration) have been sold by Declarant; thereafter, appointments and removals from the Committee shall be made by the Board of Directors for such term as they shall designate. The Board of Directors shall have the right to review any action or non-action taken by the Committee and shall be the final authority.

5.2. Submission of Plans to Architectural Control Committee. No Home, building, fence, wall, parking area, hardscape, swimming pool, spa, pole, driveway, fountain, landscaping, out-building, sprinkler system, exterior color or shape, or other improvement of any kind or type, or any alteration, addition to, change or modification of any of the foregoing, shall be constructed, erected or maintained upon any Lot or the patio or garage used in connection with any Lot after such Lot has been sold by Declarant until the plans and specifications showing the nature, kind, color, shape, height, materials and location of the same are submitted to and approved in writing by the Committee. Plans and specifications shall be submitted to the Committee at least fourteen (14) days prior to the commencement of any such construction or modification. Two (2) copies of the following shall be submitted for approval: a site plan showing the entire Lot with existing improvements, and floor plan and elevations of all faces of the proposed structure, a description of all exterior construction materials and such other materials, including engineering plans, if necessary, as the Committee shall reasonably require in order to enable the Committee to fully evaluate the proposed construction or modification. A copy of the above described plans and specifications may be retained by the Committee.

5.3. Approval of Plans. The Committee shall review the plans and specifications and notify the Owner in writing of its approval or disapproval. If the Committee fails to approve or disapprove said plans and specifications in writing within thirty (30) days after the same has been submitted to it, they will be deemed to have been approved by the Committee. Any disapproval shall set forth the elements disapproved and the reason or reasons thereof. The Committee shall not have unbridled discretion with respect to taste, design and the standards set forth herein, but shall use commercially reasonable efforts to promote and ensure a high level of taste, design quality, aesthetic harmony, and conformity throughout the Property, consistent with standards established by this Declaration. Subject to rights of the Board of Directors set forth above, the judgment of the Committee in this respect shall be final and conclusive and the Owner shall promptly correct the plans and specifications (if disapproved) and resubmit them for approval. No construction, alteration, change or modification shall commence until approval of the Committee is obtained. The Committee, subject to the rights of the Board of Directors as set forth above, may approve any reasonable deviation from Sections 6.5, 6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14 and 6.15 of this Declaration as the Committee, in its sole and absolute discretion, deems consistent with the purpose hereof. No member of the Committee shall be liable to any Owner for any claims, causes of action or damages arising out of the denial of any submittal or grant of any deviation to an Owner.

DECLARATION OF COVENANTS, CONDITIONS

Future requests for deviations submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a deviation to any Owner shall not constitute a waiver of the Committee's rights to strictly enforce the Declaration and the architectural standards provided herein against any other Owner. Any approval of a deviation from these covenants and restrictions will be valid only if such approval is set forth in a written instrument in recordable form executed and acknowledged by a majority of the members of the Committee at the time such deviation is approved. No deviation from these covenants and restrictions shall be granted or inferred by reason of the approval or deemed approval of plans and specifications submitted to the Committee for approval that do not conform to the provisions of this Declaration. The Committee shall have the authority hereunder to require any Owner or Owner's agents or contractors to cease and desist in constructing or altering any improvements on any Property, where such actions have not first been reviewed and approved by the Committee as required hereunder or constitute a violation of this Declaration, the Design Guidelines or any other documents promulgated by the Committee. The violating Owner shall remove such violating improvements or site work at its sole expense and without delay, returning same to its original condition or bringing the Lot into compliance with this Declaration, Design Guidelines, Committee documents, and any plans and specifications approved by the Committee for construction on that Lot. If an Owner proceeds with construction that is not approved by the Committee, or that is a variance of the approved plans, the Association may assess fines as provided in Section 7.7 hereof and may continue to assess such fines until Committee approval is granted or the violation is removed. This Declaration is notice of such liability for violation and Owners hereby agree to bear the cost and expense to cure any violations according to this provision, regardless of the substantial cost, time or loss of business involved.

5.4. Committee Members' Liability. Neither Declarant, the Association, the Board of Directors, the Committee nor any employees, officers, directors or members thereof shall be liable for damages or otherwise to anyone submitting plans and specifications for approval or to any Owner affected by this Declaration by reason of mistake of judgment, negligence or nonfeasance arising out or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications. Any errors in or omissions from the plans or the site plan submitted to the Committee shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, City codes, state statutes or the common law, whether the same relate to Lot lines, building lines, easements or any other issue.

5.5. Builder Plans. Notwithstanding anything to the contrary contained herein, once a particular set of plans and specifications for a Home to be constructed in the Development submitted by a Builder has been approved by the Committee or deemed approved, such Builder may construct Homes in the Development on any Lot in accordance with such plans and specifications without the necessity of obtaining subsequent approvals therefor, so long as there are no major material changes in the plans and specifications and the Committee approves of the location of the Homes to be constructed using such plans and specifications to prevent unnecessary duplication thereof within the Development.

5.6. Design Guidelines. The Committee has the right to issue and amend Design Guidelines from time to time which may contain the specific provisions applicable to all of the Lots regarding style, basic site design issues, aesthetics of each home, the use of quality exterior finish materials, minimum landscaping plans for the Lots, and other issues concerning building standards, permitted construction or modification, and the Committee's operation. The Design Guidelines, together with this Declaration, will be used by the Committee to determine the approval of all plans. The Design Guidelines may be responsive to future technological advances or general changes in architectural designs and materials and related conditions. The Design Guidelines may be amended without prior notice to the Owners.

5.7 Pertaining to the Committee. Written notice may be delivered by the Committee to Owner or any agent or contractor with apparent authority to accept same and notice shall be binding on Owner as if actually delivered to Owner. The Committee or its agents or assigns shall have the right, but not the obligation, to enter the Property to determine if violations of this Declaration, the Design Guidelines, or any other documents promulgated by the Committee exist. In so doing, the Committee shall not be subject to any liability for trespass, other tort or damages in connection with or arising from such entry nor in any way shall the Association or its agents be liable for any accounting or other claim for such action. The Committee shall have the right to set time constraints for both the commencement and completion of construction, for parties other than Declarant and a Builder, which constraints shall be no less than ninety (90) days [after which date a new approval must be obtained] from approval of the plans to commence construction and nine (9) months from the commencement date to complete construction. The Committee has the right to charge a reasonable review fee, to be established by the Board of Directors, for review of any plans or specifications submitted for approval to the Committee.

ARTICLE VI.

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

6.1. Residential Use. Each Lot on the Property shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed two and one-half (2.5) stories in height, a private garage as provided below, and one (1) in-the-ground swimming pool and appurtenant sidewalks, driveways, curbs, fences, and storage and equipment buildings not otherwise prohibited hereby.

6.2. Single Family Use. No Home shall be occupied by more than a single nuclear family. For purposes of this Declaration, a single nuclear family shall be defined as any number of persons related within the second degree of consanguinity or affinity, living with not more than one (1) person who is not so related as a single household unit. It is not the intent of the Declarant to exclude from a Home any individual who is expressly authorized or required to so remain by any state or federal law.

6.3. Garage. Each Home shall have an enclosed garage suitable for parking a minimum of two standard size automobiles, which garage shall conform in design and materials with the main structure. All garage doors, whether overhead or otherwise, and any windows in a garage door, if applicable, shall remain fully closed at all reasonably practical times. No garage or other out-building shall be converted into a dwelling or living area by any Owner.

6.4. Restrictions on Resubdivision. No Lot shall be subdivided into smaller lots.

6.5. Driveways. All driveways shall conform to applicable City and other governmental specifications and requirements.

6.6. Uses Specifically Prohibited.

A. No temporary dwelling, shop, trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted on any Lot except that a Builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a specifically permitted Lot during construction of residences

office and/or construction trailer) on a specifically permitted Lot during construction of residences in the Development. No building material of any kind or character shall be placed or stored upon the Property until construction is ready to commence, and then such material shall be placed totally within the property lines of the Lot upon which the improvements are to be erected.

B. All Vehicles shall be parked, stored or placed so as not to be visible from any street or from ground level view from an adjoining Lot, except for temporary parking in the driveway constructed on a Lot. On-street parking shall be limited to temporary parking of guests or invitees during parties, delivery of products or services, and similar limited (no more than twelve (12) hours) time periods. No Vehicle shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any Vehicle temporarily parked while in use for the construction, maintenance or repair of a residence in the Development. All work on Vehicles (other than routine maintenance completed within twelve (12) hours) shall be performed only in a fully enclosed garage completely screened from public view.

C. Trucks with tonnage in excess of one and one-half (1.5) tons and any commercial Vehicle with signage or advertisement displays shall not be permitted to repetitively park overnight on the streets, or other areas of the Property, except those used by a Builder or its contractors during the construction of improvements.

D. No Vehicle of any size that transports flammable or explosive cargo may be parked, stored or kept on the Property at any time.

E. No Vehicle that is not in operating condition, does not have current license plates and inspection stickers, and/or is not in current use shall be parked or stored on the Property unless such Vehicle is parked or stored in a fully enclosed garage completely screened from public view.

F. No garage, garage house, out-building, or structure of a temporary character, such as a trailer, tent, shack, barn, underground tank or structure shall be used or occupied on the Property by any Owner, tenant or other person at any time as a dwelling or living area; provided, however, that any Builder may maintain and occupy model houses, sales offices and construction trailers in the Development in connection with its activities of constructing residences in the Development.

G. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in or on the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property.

H. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except that dogs, cats or other regular household pets may be kept as household pets. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the Property cows, horses, pigs, bees, hogs, sheep, goats, guinea fowl, ducks, chickens, turkeys, skunks or any other animals that may interfere with the peace and quiet and health and safety of the community. No more than four (4) household pets will be permitted to reside in each Home. Pets must be restrained or confined to the homeowner's rear yard within a secure fenced area or within the Home. It is the pet owner's responsibility to keep the Lot clean and free of pet debris.

or odor noxious to adjoining Lots. All animals must be properly registered and tagged for identification in accordance with local ordinances.

I. No Lot or other area of the Property shall be used as a dumping ground for rubbish or waste, or for the storage or accumulation of unsightly materials of any kind, including without limitation, broken or rusty equipment, disassembled or inoperative Vehicles and discarded appliances and furniture. Trash, garbage or other waste shall at all times be kept in clean, well maintained sanitary containers. All trash containers shall at all times be screened from view from adjoining Lots and streets except as is reasonably necessary for trash pickup. Materials incident to construction of improvements may only be stored on Lots during construction of the improvement thereon.

J. No individual or private water supply system shall be permitted on any Lot.

K. No individual or private sewage disposal system shall be permitted on any Lot.

L. All air-conditioning apparatus, including window units, shall be installed so as not to be visible from any street in front of a Home. No air-conditioning apparatus or evaporative coolers shall be attached to any front wall or window of a Home.

M. No exterior antennas, aerials, satellite dishes, or other apparatus for the reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property, including any Home, which is visible from any street, Common Area or other Lot unless it is impossible to receive signals from said location. In that event the receiving device may be placed in a visible location as approved by the Committee. The Committee may require as much screening as possible while not substantially interfering with reception. The Declarant and/or the Association shall have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite or other signals for the benefit of all or a portion of the Property. No satellite dishes shall be permitted which are larger than one (1) meter in diameter. No broadcast antenna mast may exceed the height of the center ridge of the roofline. No Multichannel Multipoint Distribution Service ("MMDS") antenna mast may exceed the height of twelve feet (12') above the center ridge of the roofline. No exterior antennas, aerials, satellite dishes, or other apparatus shall be permitted which transmit television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property. The Declarant by promulgating this provision is not attempting to violate the Telecommunications Act of 1996 (the "Telecommunications Act"), as same may be amended from time to time. This subsection shall be interpreted to be as restrictive as possible while not violating the Telecommunications Act.

N. No noxious, illegal, or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants, animals, device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property. No speaker, horn, whistle, bell or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on the exterior of a Home, unless required by federal, state or local regulation or unless operated so that the devices cannot be heard from any adjoining Lot, street or Common Area. The use and discharge of firecrackers and other fireworks is prohibited within the Property. The pursuit of hobbies or

assembly and disassembly of Vehicles and other mechanical devices, that might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any visible part of the Property.

O. No fence, wall, hedge or shrub planting which obstructs sight lines at an elevation between two feet (2') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the intersection of street right-of-way lines and a line connecting them twenty feet (20') from the intersection of the street right-of-way lines, or in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within the area that is ten feet (10') from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at a minimum height of six feet (6') above the adjacent ground line.

P. Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected on the Property.

Q. Within those easements on each Lot as designated on the Plat of the Development or contained herein, no improvement, structure, planting or materials shall be placed or permitted to remain which might damage or interfere with the installation, operation and maintenance of the utilities within such easement, or which might alter the direction of flow within drainage channels or which might obstruct or retard the flow of water through drainage channels. The general grading, slope and drainage plan of a Lot as established by the City approved development plans may not be altered without the approval of the City and/or other appropriate agencies having authority to grant such approval.

R. No sign of any kind or character, including (a) any signs in the nature of a "protest" or complaint against Declarant or any Builder, (b) or that describe, malign or refer to the reputation, character or building practices of Declarant or any Builder, or (c) discourage or otherwise impact or attempt to impact anyone's decision to acquire a Lot or Home in the Development, shall be displayed to the public view on any Lot or from any Home on any Lot except for (x) one professionally fabricated sign of not more than five (5) square feet advertising the property for sale, (y) signs used by a Builder to advertise the property during the construction and sales period, or (z) political signs (of not more than five (5) square feet in size) advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such political signs shall not be erected more than thirty (30) days in advance of the election to which they pertain and shall be removed within ten (10) days after the election. All permitted signs shall be ground mounted to a height of not more than three feet (3').

Moreover, no Owner may use any public medium such as the "internet" or any broadcast or print medium or advertising to similarly malign or disparage the building quality or practices of any Builder, it being acknowledged by all Owners that any complaints or actions against any Builder are to be resolved in a private manner and any action that creates controversy or publicity for the Development or the quality of construction of any Home within the Development will diminish the quality and value of the Development. Declarant, any Builder, the Association, or their agents shall have the right, without notice, to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal.

DECLARATION OF COVENANTS, CONDITIONS

S. For the first three (3) years of the life of the Development, signs of any type advertising a lot or lots for lease is prohibited.

T. Outdoor drying of clothes is prohibited.

U. Lawn mowers, rakes, carts and other yard equipment shall be stored away from view from adjacent Lots and streets when not in use.

V. Except within fireplaces in the main residential dwelling and barbeque equipment for outdoor cooking, no burning of trash, leaves or other items or material shall be permitted anywhere on the Property.

W. No use shall be conducted in the Development which could be violative of any deed restrictions, other encumbrances of record, zoning or planned use designation, or development or building restrictions or regulations imposed by the City or County, all as such may be applicable to the Development from time to time. Furthermore, no use shall be conducted which shall conflict with FHA or VA regulations (if applicable) or any regulation or ordinance of any other applicable governmental entity or agency.

X. To protect the safety and harmony of the Development, no person shall engage in picketing on any Lot, the Property, or easement within or adjacent to the Property, nor shall any Vehicle parked, stored, kept or driven in or adjacent to the Property bear or display any signs, slogans, symbols, words or decorations intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the rights, occupancy or permitted activities of any Owner on the Property.

Y. No business nor business activity, whether for profit or not, shall be permitted in or on any Home or Lot, except that an Owner or occupant may conduct business activities that are merely incidental to the Owner's residential use within a Home so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Home; (b) the business activity conforms to all zoning requirements and other restrictive covenants applicable to the Property; (c) the business activity does not involve visitation to the Home or Lot by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Development; and, (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Development, as may be determined in the sole discretion of the Board. A day-care facility, home day-care facility, church, nursery, pre-school, beauty parlor, barber shop or other similar facility is expressed prohibited. The terms "business" and "trade" as used in this provision shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the manufacture or provision of goods or services for or to other persons other than the provider's family, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does not generate a profit, or (iii) a license is required therefor. Notwithstanding the above, the leasing of the entire Home shall not be considered a trade or business within the meaning of this Section. Garage sales or yard sales (or any similar vending of merchandise) conducted on any Lot shall be not considered business activity provided that no Owner may conduct more than one garage sale or yard sale within any twelve (12) month period. The Association may, but shall not be obligated to, sponsor, organize or otherwise provide for a community wide garage sale.

6.7. Minimum Floor Area. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls (but exclusive of open porches, garages, patios and detached accessory buildings), shall be not less than the minimum floor area required by the City.

6.8. Building Materials. The total exterior wall area (excluding windows, doors and gables) of each Home constructed on a Lot shall not be less than the minimum percentage as established by the City by ordinance or building code requirement of brick, brick veneer, stone, stucco, stone veneer, or other masonry material permitted by City ordinance or building code.

6.9. Setback Requirements. No dwelling, fence, wall or other improvement shall be located on any Lot nearer to the front lot line than the minimum setback lines shown on the Plat or as required by the City. Unless a Home is initially constructed by Declarant or a Builder in a different manner, all Homes erected or placed on any Lot shall face the road or street adjacent to the front of the Lot as shown on the recorded plat of the Property.

6.10. Fences and Walls. All fences and walls shall be constructed only of masonry, brick, natural colored wood or other material as may be approved by the Committee. No chain link or similar type wire fences shall be allowed on any portion of a Lot that is visible from outside any boundary of the Lot. No fence or wall on any Lot shall extend nearer to any street than the front of the Home thereon. Except as otherwise specifically approved by Declarant, all streetside side yard fencing on corner Lots shall be set no closer to the abutting side street than the property line of such Lot. All fences must be at least six feet (6'), but not more than eight feet (8') in height. Any fence or portion thereof that faces a public street shall be constructed so that all structural members and, unless the Committee determines otherwise, support posts will be on the side of the fence away from the street and are not visible from any public right-of-way. All fences and walls shall be properly maintained in good condition by the Owner of the Lot upon which the fence or wall is situated. Rotting wood, leaning portions or those portions of a fence or wall in a state of disrepair shall be promptly repaired, maintained and/or replaced by the Owner of the Lot where upon the fence or wall is situated. No fences shall be erected in any drainage easement reflected on or established by the Plat if the fence will in any manner impair or impede the flow of drainage waters within such drainage easement.

6.11. Sidewalks. All walkways along public right-of-ways shall conform to the minimum property standards of the City, FHA and VA.

6.12. Mailboxes. Mailboxes shall be initially constructed of a material and design approved by Declarant. If gangboxes are required by the U.S. Postal Service, no individual mailboxes shall be permitted.

6.13. Windows. Windows, jambs and mullions shall be composed of anodized aluminum or wood. Except on a temporary basis to facilitate moving into and out of a Home, and in any event not more than thirty (30) days, no sheets, blankets, bedding, or similar material shall be placed on any window or door on any Home and in no event, shall aluminum, reflective film or similar treatment be placed on any window or glass door of any Home.

6.14. Roof. The entire roof of each Home shall have a pitch of at least six inches (6") of rise to every twelve inches (12") of run, unless otherwise approved by Declarant and shall otherwise comply in all respects with any applicable laws or ordinances affecting the Lot. All roofing shall be, at a minimum, 20-year shingle and shall comply with requirements of the City.

6.15. **Landscaping.** Landscaping of each Lot shall be completed within sixty (60) days, subject to extension for delays caused by inclement weather, after the Home construction is completed and shall include grassed front and side yards. At all times each Owner shall comply with all applicable landscaping and tree ordinances of the City.

6.16. **General Maintenance of Lots.** Following occupancy of the Home upon any Lot, each Owner shall maintain and care for the Home, all improvements and all trees, foliage, plants, and lawns on the Lot and otherwise keep the Lot and all improvements thereon in good condition and repair and in conformity with the general character and quality of properties in the immediate area, such maintenance and repair to include but not be limited to: (i) the replacement of worn and/or rotted components, (ii) the regular painting of all exterior surface, (iii) the maintenance, repair and replacement of roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, drives, parking areas and other exterior portions of the improvements to maintain an attractive appearance, and (iv) regular maintenance of all landscaping, trees and shrubs and regular mowing and edging of lawn and grass areas. Upon failure of any Owner to maintain a Lot owned by him in the manner prescribed herein, the Association or Declarant at its option and discretion, but without any obligation to do so, after ten (10) days written notice to such Owner to comply herewith, may enter, or cause a third party to enter upon such Owner's Lot and undertake to maintain and care for such Lot to the condition required hereunder and the Owner thereof shall be obligated, when presented with an itemized statement, to reimburse the Association or Declarant, as applicable, for the cost of such work together with interest thereon at the rate of eighteen percent (18%) per annum (but not in excess of the lawful maximum rate) from the date of disbursement by the Association or Declarant, as applicable, upon demand therefore. All sums owing by an Owner to the Association or Declarant, as applicable, shall be subject to the collection procedures and be secured by the lien provided for in Article IV.

6.17. **Development and Construction Activity.** Notwithstanding any other provision in this Declaration to the contrary, Declarant and any Builder shall be permitted to conduct on the Property all activities and operations normally associated with and convenient to the development, construction, and sale of single-family dwellings on the Property, including, without limiting the generality thereof, the construction and maintenance of model homes, sales offices, parking lots, trap fences, the erection of signs advertising the subdivision and lots or homes for sale, and placement and maintenance of temporary structures or trailers in connection with such activities.

ARTICLE VII.

GENERAL PROVISIONS

7.1. **Additional Easements.**

A. **Utility Easements.** As long as Class "B" membership shall be in effect, Declarant hereby reserves the right to grant perpetual, non-exclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Property for the purpose of ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, telephone, cable television and computer or digital signals and communications. Declarant, for itself and its designees, reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on or in such easements. Upon cessation of Class "B" membership, the Association shall have the right to grant the easements described herein.

B. Continued Maintenance Easement. In the event that the Owner fails to maintain the Lot as required herein, or in the event of emergency, or in the event the Association requires entry upon any Lot to repair or maintain any Area of Common Responsibility, the Association shall have the right, but not the obligation, to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

C. Drainage Easements. Easements for installation and maintenance of utilities, stormwater retention/detention ponds, and/or a conservation area are reserved as may be shown on the Plat. Within these easement areas, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may hinder or change the direction of flow of drainage channels or slopes in the easements. The easement area of each Lot and all improvements contained therein shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company or the Association is responsible. As long as Declarant owns any Lot, Declarant hereby reserves for the benefit of Declarant and any Builder a blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance and such parties shall be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage facilities. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any duty upon Declarant or any Builder to correct or maintain any drainage facilities within the Property.

D. Temporary Completion Easement. All Lots shall be subject to an easement of ingress and egress for the benefit of Declarant, any Builder, their employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing and completion of Homes and landscaping upon Lots adjacent thereto, provided that such easement shall terminate twelve (12) months after the date such burdened Lot is conveyed to the Owner by Declarant or a Builder.

E. Universal Easements. The Owner of each Lot (including Declarant so long as Declarant is the Owner of any Lot) is hereby granted an easement not to exceed two feet (2') in width from the boundary of the adjoining Lots over all adjoining Lots for the purpose of accommodating any unintentional encroachment or protrusion due to engineering or fence line errors, trees, landscaping or retaining walls located along property lines, errors in original construction or surveying, overhanging of roofs, eaves or other improvements, settlement or shifting of any building, or any other unintentional similar cause. In no event shall an easement for encroachment or protrusion be created in favor of an Owner or Owners if said encroachment or protrusion occurred due to willful misconduct of said Owner or Owners. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to each affected Lot and shall pass with each conveyance of said Lot.

F. Screening Wall, Landscape, and Entry Feature Easements. All Lots shall be subject to a perpetual non-exclusive easement for the benefit of Declarant, the Association, any Builder and their employees, subcontractors, successors and assigns, for the purpose of (i) ingress and egress over and upon all portions of the Lots as may be expedient or necessary for the construction, installation, reconstruction, maintenance, repair, replacement, addition to, and

improvement of any and all screening walls, fences, common area landscaping and entry features, together with all incidental improvements, as the same may be installed, constructed, reconstructed, improved, and added to from time-to-time by Declarant, any Builder, the Association, or any party designated by Declarant, upon, over, or across the front, side or rear yards of any of the Lots, and (ii) permanently locating, installing and maintaining any and all of such screening walls, fences, common area landscaping and entry features, together with all incidental improvements.

7.2. Enforcement. Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration the Bylaws and Articles of Incorporation. Failure by the Declarant, the Association or by any Owner to enforce any covenant, condition or restriction herein contained, the Bylaws or the Articles of Incorporation shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys fees from the nonprevailing party.

7.3. Severability. If any condition, covenant or restriction herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the final judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other condition, covenant or restriction, each of which shall remain in full force and effect.

7.4. Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant (during the time it owns any Lots), the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote, of the then Owners of seventy percent (70%) of the Lots (and the City, if then a party hereto) agree in writing to terminate or change this Declaration in whole or in part and such writing is recorded in the Real Property Records of the County.

7.5. Amendment.

A. This Declaration may be amended or modified upon the express consent of at least sixty-six and two-thirds percent (66-2/3%) of the outstanding votes of each class of Members entitled to vote (determined pursuant to Section 3.2 hereof) present at a meeting at which a quorum is present; provided, however, so long as Declarant continues as a Class "B" Member, this Declaration may not be amended without first obtaining the prior written consent of Declarant as evidenced by Declarant's execution of the recorded amendment instrument. If the proposed amendment involves a modification of any of the Association's agreements, covenants or restrictions pertaining to the use, maintenance, operation and/or supervision of any Areas of Common Responsibilities, the approval of the City must also be obtained for such amendment if required by applicable City ordinances or regulations. Any and all amendments, if any, shall be recorded in the Real Property Records of the County. Notwithstanding the foregoing, Declarant shall have the right to execute and record amendments to this Declaration without the consent or approval of any other party (i) so long as Declarant continues as a Class "B" Member, or (ii) to correct technical errors, cause this Declaration to be in compliance with any and all applicable laws, rules, and regulations of any applicable governmental authority, including the FHA and VA, or clarify any provision hereof.

B. Declarant intends that this Declaration may be amended to comply (if not in compliance) with all requirements of the Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA"), FHA and VA. Notwithstanding anything to the contrary contained herein, if this Declaration does not comply with FHLMC, FNMA, VA or FHA requirements, the Board of Directors and/or Declarant shall have the power in its discretion (on behalf of the Association and each and every Owner) to amend the terms of this Declaration or to enter into any agreement with FHLMC, FNMA, VA, and FHA, or their respective designees, reasonably required by FHLMC, FNMA, VA or FHA to allow this Declaration to comply with such requirements. Should the FHLMC, FNMA, VA or FHA subsequently delete any of their respective requirements which necessitate modification of any of the provisions of this Declaration or make any such requirements less stringent, the Board of Directors and/or Declarant, without approval of the Owners, may, upon reasonable justification, cause an amendment to this Declaration to be executed and recorded to reflect such changes.

7.6. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, in all cases shall be assumed as though fully expressed in each case.

7.7. Remedies. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity, including, without limitation, an action for injunctive relief, it being acknowledged and agreed that a violation of the covenants, conditions and restrictions contained herein could cause irreparable injury to Declarant and/or the other Owners and that Declarant's and/or the other Owner's remedies at law for any breach of the Owners' obligations contained herein would be inadequate. Enforcement may be commenced by the Association, Declarant, the City, or any Owner against any person or persons violating or attempting to violate them, and failure by the Association, Declarant, the City, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The rights created herein are unique and enforceable by specific performance. In addition to any remedies at law or equity available hereunder, each Owner may also be subject to a fine to be levied by the Association and determined by the Board of Directors (to be collected by the Association) for each day that such Owner fails to comply with covenants, conditions and restrictions contained herein (other than for nonpayment or delinquency in Assessments). Such fine levied by the Association shall be due and payable at such time as is designated by the Board of Directors. All fines levied by the Association at the time levied shall be added to and included in the amount of the Assessment due from such Owner and shall be subject to the same remedies and rights of enforcement as Assessments set forth in this Declaration.

7.8. Notices to Owner. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered forty-eight (48) hours after deposit in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, and addressed to the last known address of the person who appears as Owner in the public records at the time of such mailing.

7.9. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender and words in the singular, shall be held to include the plural and visa versa unless the context requires otherwise.

7.10. Formation of Association; Inspection of Documents, Books and Records. The Association shall be formed by Declarant as a non-profit corporation in accordance with the laws of the State of Texas. Management and governance of the Association shall be implemented and/or undertaken in accordance with its Articles of Incorporation, in accordance with this Declaration, and in accordance with the Bylaws which shall be adopted by the Association following its formation. The Association shall make available copies of the Declaration, Bylaws, Articles of Incorporation, rules and regulations governing the Association as well as the books, records and financial statements of the Association for inspection by Owners or any Mortgagee during regular business hours or other reasonable times.

7.11. Indemnity. To the fullest extent permitted by applicable law, the Association shall indemnify, defend and hold harmless Declarant, the Board of Directors, the Committee, the officers of the Association, and each director, officer, employee and agent of Declarant, the Board of Directors and the Committee from all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) incurred by such indemnified person arising out of or in connection with such indemnified persons' acts performed in good faith pursuant to this Declaration. SUCH INDEMNITY TO INCLUDE MATTERS ARISING AS A RESULT OF THE SOLE OR CONCURRENT NEGLIGENCE OF THE INDEMNIFIED PERSON, TO THE EXTENT PERMITTED BY APPLICABLE LAW, BUT SHALL NOT INCLUDE ACTS OF WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

7.12. FHA/VA Approval Requirement. As long as there remains any Class "B" Member and any first lien mortgage is in effect with respect to any Lot which is insured by FHA or VA, the following actions shall require prior approval of FHA or VA if such approval is required under the then applicable FHA or VA regulations: amendment of the Articles of Incorporation, Declaration or Bylaws; mortgaging or dedication of the Areas of Common Responsibility; annexation of additional properties; and dissolution of the Association.

7.13. Failure of Declarant or Association to Perform Duties. Should Declarant or the Association fail to carry out its duties as specified in this Declaration, the City or its lawful agents shall have the right and ability, after due notice to Declarant or the Association, to remove any landscape systems, features or elements that are the responsibility of and cease to be maintained by Declarant or the Association, as applicable; to perform the responsibilities of Declarant or the Association, as applicable, if such party fails to do so in compliance with any of the provisions of this Declaration or of any applicable City codes or regulations; to assess Declarant or the Association, as applicable, for all costs incurred by the City in performing said responsibilities if Declarant or the Association, as applicable, fails to do so; and/or to avail itself of any other enforcement actions available to the City pursuant to state law or City codes and regulations. Should the City exercise its rights as specified above, the party failing to perform shall indemnify and hold harmless the City from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the City's removal of any landscape systems, features or elements that cease to be maintained by Declarant or the Association, as applicable, or from the City's performance of the aforementioned operations, maintenance or supervision responsibilities. The obligations described in this paragraph are solely obligations of the Association (and Declarant if Declarant remains so obligated), and no other party, including without limitation, Declarant (assuming Declarant is no longer so obligated) or any Owner, shall have any liabilities or obligations in connection therewith.

7.14. Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such conditions, covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Development. This Declaration, when

executed, shall be filed of record in the Real Property Records of the County so that each and every Owner or purchaser of any portion of the Property is on notice of the conditions, covenants, restrictions and agreements herein contained. In the event any of the Lots in the Development have been conveyed to third parties prior to the recordation of this Declaration, such Lots may be encumbered by and fully subject to all of the terms, covenants, conditions and restrictions set forth in this Declaration upon the executed consent of such third parties, which such consent shall be filed of record in the Real Property Records of the County.

7.15. Recorded Plat; Other Authorities. All dedications, limitations, restrictions and reservations that are shown on the Plat are deemed to be incorporated herein and shall be construed as being adopted in each contract, deed or conveyance executed or to be executed by Declarant or any Owner, conveying the Lots, whether specifically referred to therein or not. If other authorities, such as the City or the County, impose more demanding, expensive, extensive or restrictive requirements than those that are set forth herein (through zoning or otherwise), the requirements of such authorities shall be complied with. Other authorities' imposition of lesser requirements than those that are set forth herein shall not supersede or diminish the requirements that are set forth herein.

7.16. Additions to the Development. Additional property may become subject to this Declaration in any of the following manners:

A. Declarant may without the joinder, approval or consent of any person(s) or entity(ies) add or annex additional real property to the scheme of this Declaration by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions which shall extend the scheme of this Declaration to such property, provided, however, that such Supplementary Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with this Declaration.

B. In the event any person or entity other than Declarant desires to add or annex additional residential and/or common areas to the scheme of this Declaration, such annexation must have the prior written consent and approval of the majority of the outstanding votes within each voting class of the Association. Any additions made pursuant to paragraphs (a) and (b) of this Section, when added, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added.

C. Declarant shall have the right and option, without the joinder, approval or consent of any person(s) or entity(ies) to cause the Association to merge or consolidate with any similar association then having jurisdiction over real property located (in whole or part) within 1 mile of any real property then subject to the jurisdiction of the Association. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme.

D. In determining the number of Lots owned by Declarant for purposes of Class "B" membership status according to Section 3.2 above, the total number of Lots covered by this

Declaration including all Lots added or annexed thereto shall be considered. If Class "B" membership has previously expired due to the ratio provisions set forth in Section 3.2(b)(i) above, but addition or annexation of additional property or Lots restores the ratio of Lots owned by Declarant to the number required for Class "B" membership within the period provided in Section 3.2, such Class "B" membership shall be reinstated.

7.17. No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms or provisions contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants or other terms or provisions contained in this Declaration. Any Owner acquiring a Lot in the Development in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant, the Association and the Committee harmless therefrom. Declarant shall not be responsible for the acts or omissions of any individual, entity or other Owners.

7.18. Right of Enforcement. The failure by Declarant, any Builder, the Association or the Committee to enforce any provision of this Declaration shall in no event subject Declarant, such Builder, the Association or the Committee to any claims, liability, costs or expense; it being the express intent of this Declaration to provide Declarant with the right (such right to be exercised at its sole and absolute discretion), but not the obligation to enforce the terms of this Declaration for the benefit of any Owner(s) of any Lot(s) in the Development.

7.19. Residential Construction Liability Act. Without waiving any rights under law or equity, all Owners acknowledge, covenant and agree that residential construction defect claims regarding any Home against Declarant or any homebuilder in Texas are governed by the Texas Residential Construction Liability Act (Tex. Prop. Code '27.001 *et seq.*, as amended) which preempts the Texas Deceptive Trade Practices Act (Tex. Bus. & Com. Code '17.41 *et seq.*, as amended) and any other law.

7.20. EPA Compliance. The Owner of each Lot agrees to comply with all EPA rules and regulations regarding erosion control and compliance with a Storm Water Pollution Prevention Plan affecting the Lots (the "Plan") which will include elements necessary for compliance with the nationwide general permit for construction activities administered by the EPA under the National Pollutant Discharge Elimination System. Each Owner acknowledges that Declarant and any Builder will not bear any responsibility for complying with a Plan on any Lot after the sale of each Lot in the Development.

7.21. Soil Movement. Each Owner acknowledges that the failure or excessive movement of any foundation of any Home in the Development can result in the diminished value and overall desirability of the entire Development. Each Owner agrees and understands that the maintenance of the moisture content of the soils on each Lot is necessary to preserve the structural integrity of each Home in the Development. Each Owner also acknowledges that the long term value and desirability of the Development is contingent upon each Owner maintaining its Home so that no structural failure or excessive soil movement occurs within the Development.

EACH OWNER IS HEREBY NOTIFIED THAT THE SOIL COMPOSITION IN NORTH TEXAS IN GENERAL AND THE DEVELOPMENT IN PARTICULAR AND THE CONDITION OF THE LOTS MAY RESULT IN THE SWELLING AND/OR CONTRACTION OF THE SOIL IN AND AROUND THE LOT IF THE OWNER OF THE LOT DOES NOT EXERCISE THE PROPER CARE AND MAINTENANCE OF THE SOIL REQUIRED TO PREVENT SOIL MOVEMENT.

If the Owner fails to exercise the necessary precautions, damage, settlement, movement or upheaval to the foundation and structural failure may occur. Owners are highly encouraged to install and maintain proper irrigation around their Home or take such other measures to ensure even, proportional, and prudent watering around the foundation of the Home.

By each Owner's acceptance of a deed to any Lot, each Owner, on behalf of Owner and Owner's representatives, successors and assigns, hereby acknowledges that Declarant and all Builders in the Development shall not be responsible or liable for, and Owner shall assume all risk and consequences of, any damage, settlement, movement or upheaval to the foundation, structural failure, or any damage to any other part of the Home caused by Owner's failure to exercise proper care and maintenance of the soil required to prevent soil movement, and hereby releases and forever discharges, all Builders in the Development and Declarant and their respective shareholders, members, officers, directors, partners, employees, agents, representatives, affiliates, attorneys, successors and assigns, of and from any and all claim for the relief and causes of actions, liabilities, damages and claims whatsoever, known or unknown, direct or indirect, arising from or relating to Owner's failure to exercise proper care and maintenance of the soil required to prevent soil movement, including but not limited to, any damage caused by or related in any fashion to the failure or improper or uneven watering of the Lot, planting of improper vegetation near the foundation, or any action by any Owner that affects the drainage of any Lot.

7.22. Compliance with Laws. At all times, each Owner shall comply with all applicable federal, state, county, and municipal laws, ordinances, rules, and regulations with respect to the use, occupancy, and condition of the Property and any improvements thereon. If any provision contained in this Declaration or any amendment is found to violate any law, then the provision shall be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument on the 29th day of September, 2005.

DECLARANT:

Mid Meadows V, LP
a Texas limited partnership

By: Meadows V Development, LLC
a Texas limited liability company
Its: General Partner

By: Wildwood Development Company, Inc.
a Texas corporation
Manager of Meadows V Development, LLC

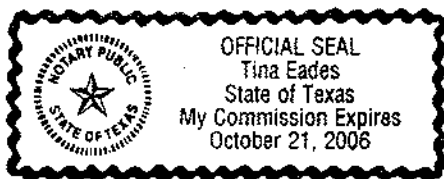
By: R. Derek Ryan
R. Derek Ryan, President

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF Ellis §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared R. Derek Ryan, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of said partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 29th day of September, 2005.



Tina Eades
NOTARY PUBLIC, STATE OF TEXAS

Printed Name: Tina Eades
My Commission Expires: 10-21-2006

AFTER RECORDING RETURN TO:

Mid Meadows V, LP
400 N. Saint Paul St., Suite 1300
Dallas, Texas 75201
Attn: Tina Eades

DECLARATION OF COVENANTS, CONDITIONS

AND RESTRICTIONS FOR MIDLOTHIAN MEADOWS V Page 26

MIDLOTHIAN MEADOWS V DCCR DOCUMENT FINAL.DOC

Any provision herein which restricts the sale, rental, or use of this described real property because of color or race is invalid and unenforceable under federal law. STATE OF TEXAS, COUNTY OF ELLIS I hereby certify this instrument was filed on the date and time stamped herein and was duly recorded in the volume and page of the OFFICIAL PUBLIC RECORDS of Ellis County Texas as stamped hereon.



Cindy Polley
COUNTY CLERK, ELLIS COUNTY, TEXAS

FILED FOR RECORD - ELLIS COUNTY, TX
Inst No: 0531425
on Oct 10, 2005 at 10:18:00 AM

Midlothian Meadows V & VI

Homeowners' Association, Inc.

COLLECTION POLICY

Voted upon by the Board of Directors and effective as of: 06/20/12

| Title | Description | Calendar |
|-----------------------|--|----------|
| Due Date | Annual Homeowner's assessments are due on the first day of January. | Jan 1 |
| Late Charges | Assessments not paid by the last day of the month will accrue a late charge of 1.5% interest (not to exceed 18% interest per annum) | Monthly |
| Second Invoice & | A Homeowner with unpaid assessments that are 30 days late will receive a Second Invoice with a copy of the Collection Policy. | Feb 1 |
| Final Letter | A homeowner that is 60 days late will receive a final letter and payment plan form via USPS certified mail that will state that unless payment is made or the owner enters into a payment plan within 30 days of mailing, the account will be forwarded to the Association Attorney for collection. | Mar 1 |
| Demand Letter | If the delinquency is not cured within 30 days from the date the Final Invoice is mailed, the account will be forwarded to the Association Attorney for issuance of a Demand Letter. All attorney fees and collection costs for this and any subsequent actions will be added to the Homeowner's account. | April 1 |
| Notice of Lien Letter | If the delinquency is not cured within 33 days from the date the Demand Letter is mailed, the Association Attorney will be directed to send a Notice of Lien letter. This letter is accompanied by a copy of the Lien and states if payment is not received in 30 days, the Association may file suit seeking to foreclose the Association's lien against the property. All fees and costs will be added to the Homeowner's account. | May 1 |
| Foreclosure | If the delinquency is not cured within 30 days subsequent to the lien, the Association Attorney will be directed to proceed with the Assessment Lien Foreclosure based on the Supreme Courts rules for expedited foreclosure. | June 1 |

NOTES:

- 1) All attorney fees, collection costs and other expenses incurred by the Association in recovery of unpaid assessments are the sole responsibility of the Homeowner whose failure to make timely payment of assessments necessitated the Association incurring such fees, costs and expenses.
- 2) A \$50.00 charge will be accrued to the Homeowner's account for any check returned unpaid from the bank for any reason.
- 3) Any payment stating "Paid in Full" that has not fully cured the delinquency will not be accepted.
- 4) All funds received from a Homeowner will be applied to the Homeowner's account in the following order:
 - a) Delinquent Assessments.
 - b) Current Assessments.
 - c) Attorney's fees and collection costs to collect delinquent amounts.
 - d) Other Attorney's fees.
 - e) Fines.
 - f) Other Amounts.

Dale Martin 6-8-12
Signature- Board Member

Date

[Signature] 6-10-12
Signature- Goddard Management

Date

02641 0311
VOL. PG.

Note 1: To be recorded in the real property records of Ellis County, Texas, pursuant to Texas Property Code §202.006.
Note 2: This updates & entirely replaces any previously recorded open records production & copying policy for this subdivision.

HOA DOCUMENT RETENTION POLICY

Subdivision: Midlothian Meadows V & VI, as described on Exhibit "A" hereto.
Association: Midlothian Meadows V & VI HOA, Inc.

The Board of Directors of Midlothian Meadows V & VI HOA, Inc., a Texas property owners association as defined by Property Code Chapter 209, has resolved that it is in the best interests of the Association to adopt this Policy, and as instructed the undersigned to execute and effect recording of this instrument on behalf of the Association.

PURPOSE. The purpose of this Policy is to comply with the minimum requirements of Property Code Section 209.005(m) enacted by the 82nd Texas Legislature as House Bill 2761, effective January 1, 2012, which requires a property owners' association composed of more than 14 lots to adopt and comply with a document retention policy.

EFFECTIVE DATE. This Policy is adopted by the Board of Directors to be effective date from January 1, 2012.

DOCUMENT RETENTION REQUIREMENTS. At minimum, the Association will retain documents required by Property Code Section 209.005(m), for the periods of stated required by Property Code Section 209.005(m), which on the Effective Date consist of the documents identified on Exhibit "B" hereto.

CONSTRUCTION. The Policy may not be construed to prevent the Board of Directors from adopting, amending, and restating, from time to time, one or more additional administrative policies pertaining to the retention of documents, records, and information of the Association, including ~ without limitation ~ policies relating to the storage and destruction of the items identified on Exhibit "B", and policies pertaining to the retention, storage, and destruction, of other types of documents, records, and information of the Association. This provision may not be construed as a duty of the Board of Directors to adopt such additional administrative policies.

APPLICABILITY. Pursuant to SECTION 6(b) of House Bill 2761, this policy applies only with respect to books and records of the Association generated on or after January 1, 2012, the effective date of the law enacted by House Bill 2761.

PUBLIC RECORDING. In case this administrative Policy is construed to be a "dedicated instrument" within the meaning of Property Code Section 202.001(1), it will be publicly recorded in Dallas County, Texas pursuant to Property Code Section 202.006(b). All amendments, restatements, and supplements to this Policy must also be publicly recorded in Dallas County, Texas, unless and until State law clarifies that public recording of administrative policies, such as this Policy, is not required. This provision and the act of recording may not be construed as an assertion by the Association that this Policy, which is administrative in nature, is a "dedicatory instrument."

By signing below, the undersigned certifies that the Board of Directors of Midlothian Meadows V & VI HOA, Inc. adopted this Policy and instructed the undersigned to execute this Policy and effect its recording on behalf of the Association.

Signed on the 1st day of January 2012.

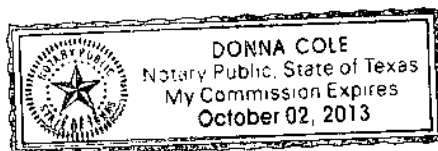
Midlothian Meadows V & VI HOA, Inc., a
Texas property owners association

By: Goddard Management, LLC., a limited
liability company, its managing agent

By: Kristy Peek
Kristy Peek CMCA®, Office Manager

THE STATE OF TEXAS §
§
COUNTY OF ELLIS §

This instrument was acknowledged before me on this 1st day of January 2012 by Kristy Peek, Office Manager of Goddard Management, LLC., on behalf of the limited liability company in the capacity as managing agent of Midlothian Meadows V & VI HOA, Inc., a Texas property owners association, on behalf of the association.



Donna Cole
Notary Public, State of Texas

COUNTY CLERK'S MEMO
Instrument UNSATISFACTORY
For microfilm recording

02617 2285
VOL.

PG.

FILED FOR RECORD - ELLIS COUNTY, TEXAS
INST NO. 1206012 FILING DATE/TIME: Mar 22, 2012 02:49:00 PM

EXHIBIT "A"
TO
HOA DOCUMENT RETENTION POLICY

DESCRIPTION OF SUBDIVISION

Being all of the real property that is subject to the Declaration of Covenants, Conditions, and Restrictions of Midlothian Meadows V, recorded on October 10, 2005, as Document No. 02164, Real Property Records, Ellis County, Texas, including the property platted as follows:

Midlothian Meadows V, an addition to the City of Midlothian, Texas according to the plat thereof recorded on January 18, 2005, as Document No. 0501814, Real Property Records, Ellis County, Texas.

(End of Exhibit "A")

[EXHIBIT "B" ON NEXT PAGE]

EXHIBIT "B"
TO
HOA DOCUMENT RETENTION POLICY

02617 2287
VOL. PG.

MINIMUM STATUTORY REQUIREMENTS

Effective January 1, 2012, Midlothian Meadows V & VI HOA, Inc., will retain the following documents for the below-stated periods of time, being the stated requirements of Property Code Section 209.005(m):

- (1) Certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently;
- (2) Financial books and records shall be retained for at least seven years;
- (3) Account records of current owners shall be retained for at least five years;
- (4) Contracts with a term of one year or more shall be retained for at least four years after the expiration of the contract term;
- (5) Minutes of meetings of the owners and the Board shall be retained for at least seven years; and
- (6) Tax returns and audit records shall be retained for at least seven years.

(End of Exhibit "B")

AFTER RECORDING, PLEASE RETURN TO:

Midlothian Meadows V & VI HOA, Inc.
c/o Goddard Management, LLC.
P.O. Box 154
Red Oak, Texas 75154
Attn: Kristy Peek

Note 1: To be recorded in the real property records of Ellis County, Texas, pursuant to Texas Property Code §202.006.
 Note 2: This updates & entirely replaces any previously recorded open records production & copying policy for this subdivision.

HOA OPEN RECORDS PRODUCTION & COPYING POLICY

Subdivision: Midlothian Meadows V & VI, as described on Exhibit "A" hereto.
 Association: Midlothian Meadows V & VI HOA, Inc.

The purpose of this Policy is to comply with the requirement of Texas Property Code Section 209.005(i) enacted by the 82nd Texas Legislature as House Bill 2761, effective January 1, 2012.

Authority. If an Open Records request is made to the Association, the Association may charge the requestor all reasonable costs of materials, labor, and overhead for compiling, producing, and reproducing the requested information.

Charges. The rates which the Association may charge an owner are the same as the maximum permitted rates published in Section 70.3 of the Texas Administrative Code (Title 1, Part 3, Chapter 70). The charges shown on Exhibit "B" hereto are some of the T.A.C. rates in effect on the date this Policy is adopted and will be deemed to change automatically with changes in the State's maximum permitted rates for Public Information requests.

Savings Clause. Notwithstanding anything to the contrary in any writing or communication made by the Association, the Association will not in any event be entitled to receive or collect Open Records charges from an owner in amounts greater than the maximum amounts permitted by applicable law. If from any circumstances whatsoever the Association charges or receives an amount in excess of the maximum charges permitted by law, the excess amount will be reimbursed to the owner.

Waiver. The Association may reduce or waive some or all of the charges addressed by this Policy on a request-by-request basis, without waiving the right to charge such fees on future requests.

Payment. The Association may require advance payment of the estimated charges addressed by this Policy. Within 30 business days after delivering the requested information, the Association will provide the owner with an invoice of the actual costs. If the actual costs are less than the prepaid estimated charges, the Association will refund the difference to the owner within 30 business days after sending the invoice. If the actual costs are greater than the prepaid estimated charges, the difference is due and payable to the Association by the owner within 30 business days after the invoice is sent to the owner, after which the Association may add the unpaid amount to the owner's assessment account.

By signing below, the undersigned certifies that the Board of Directors of Midlothian Meadows V & VI HOA, Inc. adopted this Policy to ensure that the Association complies with requirements of State Law, and that the Board of Directors instructed the undersigned to execute this Policy and effect its recording on behalf of the Association.

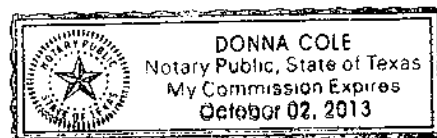
Midlothian Meadows V & VI HOA, Inc., a
Texas property owners association

By: Goddard Management, LLC., a limited
liability company, its managing agent

By: Kristy Peek
Kristy Peek CMCA®, Office Manager

THE STATE OF TEXAS §
§
COUNTY OF ELLIS §

This instrument was acknowledged before me on this 1st day of January 2012 by Kristy Peek, Office Manager of Goddard Management, LLC., on behalf of the limited liability company in the capacity as managing agent of Midlothian Meadows V & VI HOA, Inc., a Texas property owners association, on behalf of the association.



Donna Cole
Notary Public, State of Texas

COUNTY CLERK'S MEMO
Instrument UNSATISFACTORY
For microfilm recording

FILED FOR RECORD - ELLIS COUNTY, TEXAS
INSTR. NO. 1206013 FILING DATE/TIME: Mar 22, 2012 at 02:49:00 PM

EXHIBIT "A"
TO
HOA OPEN RECORDS PRODUCTION & COPYING POLICY

DESCRIPTION OF SUBDIVISION

Being all of the real property that is subject to the Declaration of Covenants, Conditions, and Restrictions of Midlothian Meadows V, recorded on October 10, 2005, as Document No. 02164, Real Property Records, Ellis County, Texas, including the property platted as follows:

Midlothian Meadows V, an addition to the City of Midlothian, Texas according to the plat thereof recorded on January 18, 2005, as Document No. 0501814, Real Property Records, Ellis County, Texas.

(End of Exhibit "A")

[EXHIBIT "B" ON NEXT PAGE]

EXHIBIT "B"
TO
HOA OPEN RECORDS PRODUCTION & COPYING POLICY

PRESCRIBED COSTS TO OWNER

Copy Charges:

Electronic image transmitted by e-mail – no copy charge
Electronic image download to USB drive – actual cost of drive
Standard paper copy or scan (letter or legal) - \$0.10 per page (double sided is 2 pages)
Oversize paper copy or scan (such as 11x17) - \$0.50 per page (double sided is 2 pages)
Diskette or CD - \$1.00
DVD - \$3.00

Labor Charge:

No labor charge if the request is for 50 or fewer pages of information, unless the records must be retrieved from a storage facility that is remote from the processor's office.

\$15.00 per hour, in ¼ hour increments, for actual time to locate, compile, manipulate data, reproduce information, and (if necessary) redact confidential information, for requests of more than 50 pages and for records in remote storage.

No labor charge for time spent to review the requested information to determine if the information qualifies for an exemption from Open Records

Overhead Charge:

No overhead charge if the request is for 50 or fewer pages of information. Otherwise, the overhead charge is 20 percent of the labor charge.

Remote Document Retrieval Charge:

If the requested information is stored with a commercial records storage company that charges a fee to deliver and return stored records, the Association may seek reimbursement of the third-party fee from the owner if the request otherwise qualifies for a labor charge.

Other charges:

Actual postage and shipping charges if necessary to transmit the reproduced information to the owner.

Actual cost of miscellaneous supplies, such as boxes, if used to produce the requested information.

If the Association accepts payment by credit card, the Association may recoup the amount of any actual transaction fee charged by the credit card company for the privilege.

No sales tax.

(End of Exhibit "B")

AFTER RECORDING, PLEASE RETURN TO:

Midlothian Meadows V & VI HOA, Inc.
c/o Goddard Management, LLC.
P.O. Box 154
Red Oak, Texas 75154
Attn: Kristy Peek

CERTIFICATE OF RECORDING POA DOCUMENTS
PURSUANT TO § 202.006 Texas Property Code

INSTRUMENTS ATTACHED FOR RECORDING:

1. Resolution to the Document Retention Policy (1 page)
2. Resolution to the Open Records Policy (1 page)

PROPERTY DESCRIPTION:

Being all of the real property that is subject to the Declaration of Covenants, Conditions, and Restrictions of Midlothian Meadows V, recorded on October 10, 2005, as Document No. 02164, Real Property Records, Ellis County, Texas, including the property platted as follows:

Midlothian Meadows V, an addition to the City of Midlothian, Texas according to the plat thereof recorded on January 18, 2005, as Document No. 0501814, Real Property Records, Ellis County, Texas.

POPULAR NAME OF DEVELOPMENT:

Midlothian Meadows V & VI HOA, Inc.

DECLARATION TO WHICH SUBDIVISION IS SUBJECT:

Being all of the real property that is subject to the Declaration of Covenants, Conditions, and Restrictions of Midlothian Meadows V, recorded on October 10, 2005, as Document No. 0531425, Real Property Records, Ellis County, Texas.

NAME OF PROPERTY OWNERS ASSOCIATION:

Midlothian Meadows V HOA, Inc., also known as Midlothian Meadows V & VI HOA, Inc..

CERTIFICATION & EXECUTION:

Hereby certify that I have been instructed by the Board of Directors of HOA of Clark Ridge No. 2 & No. 3, Inc., a Texas property owners association, to execute this Certificate to effect the recording of the instruments attached hereto on behalf of the property owners association, for the purpose of complying with the requirements of Property Code Section 202.006.

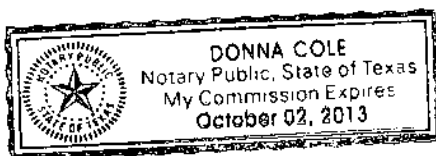
Midlothian Meadows V & VI HOA, Inc., a
Texas property owners association

By: Goddard Management, LLC., a limited
liability company, its managing agent

By: Kristy Peek
Kristy Peek CMCA®, Office Manager

THE STATE OF TEXAS §
 §
COUNTY OF ELLIS §

This instrument was acknowledged before me on this 1st day of January 2012 by Kristy Peek, Community Manager of Goddard Management, LLC., on behalf of the limited liability company in the capacity as managing agent of Midlothian Meadows V & VI HOA, Inc., a Texas property owners association, on behalf of the association.



Donna Cole
Notary Public, State of Texas

COUNTY CLERK'S MEMO
Instrument UNSATISFACTORY
For microfilm recording

FILED FOR RECORD - ELLIS COUNTY, TEXAS
INST NO. 120601 FILING DATE/TIME: Mar 22, 2012 02:49:00 PM

02617 2281
VOL.
PG.

**Resolution of the Board of Directors
Of Midlothian Meadows V & VI Homeowners Association, Inc.**

VOL.

PG.

To adopt
HOA OPEN RECORDS PRODUCTION & COPYING POLICY

I. RECITALS

- A. Midlothian Meadows V & VI Homeowners Association (the "Association") is the non-profit entity that governs the subdivision known as Midlothian Meadows V & VI ~ but platted as Midlothian Meadows V ~ pursuant to the Declaration of Covenants, Conditions, and Restrictions of Midlothian Meadows V, recorded on October 10, 2005, as Document No. 02164, Real Property Records, Ellis County, Texas, and is also a domestic nonprofit corporation formed by the Secretary of State of Texas on September 20, 2005, as "Midlothian Meadows V Homeowners Association, Inc.", under File No. 0800547439.
- B. The Association, acting through its Board of Directors, wants to enable the Association, or its managing agent, to charge money for providing owners with copies of Association records, provided the charges do not exceed the limitations imposed on property owners associations by State law.
- C. The Board has been informed that an owner may not be charges for the cost of document production in response to the owner's Open Records request in the Association has not publically recorded a Production and Copying Policy.
- D. The Board desires for the Association to have sufficient and proper authority to levy production and copying charges on an owner who requests Open Records.

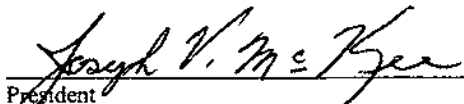
II. RESOLUTIONS

- 1. **RESOLVED** that adoption of the "HOA OPEN RECORDS PRODUCTION & COPYING POLICY" attached hereto is in the best interests of the Association.
- 2. **RESOLVED** that the Association, acting through its Board of Directors, hereby adopts the "HOA OPEN RECORDS PRODUCTION & COPYING POLICY" attached hereto.
- 3. **RESOLVED** that the Association's managing agent, Goddard Management, LLC., is hereby instructed to:
 - (1) Execute the Policy on behalf of the Association
 - (2) Ensure that the executed Policy is delivered to the Ellis County Clerk for recording in the Real Property Records of Dallas County, Texas, as a dedicatory instrument of Midlothian Meadows V & VI Homeowners Association, Inc..
 - (3) Make the executed and publically recorded Policy available to the Association members as an electronic file without charge upon request by an owner.
 - (4) Post the executed and publically recorded Policy on the Association's website.
 - (5) Include an announcement about the Policy's adoption on the Association's website and in the next community-wide communication.

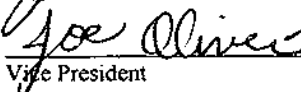
III. ADOPTION

If adopted by unanimous written consents, this Resolution must be signed and dated by each director, and may be signed in multiple counterparts. If adopted at a meeting of the Board of Directors at which a quorum is present, the minutes of the meeting must report the consents by which this Resolution is approved by the Board.

Signatures & Dates:



President



Vice President



Secretary

**Resolution of the Board of Directors
of Midlothian Meadows V & VI HOA, Inc.**

02617 2283

VOL. PG.

**To adopt
HOA DOCUMENT RETENTION POLICY**

I. RECITALS

- A. Midlothian Meadows V & VI HOA, Inc. (the "Association") is the non-profit entity that governs the subdivision known as Midlothian Meadows ~ but platted as Midlothian Meadows V ~ pursuant to the Declaration of Covenants, Conditions, and Restrictions for Midlothian Meadows V, recorded on October 10, 2005, as Document No. 02164, Real Property Records, Ellis County, Texas, and is also a domestic nonprofit corporation formed by the Secretary of State of Texas on September 20, 2005, as "Midlothian Meadows V Homeowners Association, Inc.", under File No. 0800547439.
- B. The Association, acting through its Board of Directors, wants to enable the Association, or its managing agent, to comply with the minimum requirements of Property Code Section 209.005(m) enacted by the 82nd Texas Legislature as House Bill 2761, which requires a property owners' association composed of more than 14 lots to adopt and comply with a document retention policy.

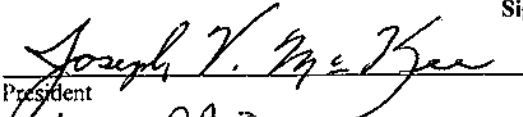
II. RESOLUTIONS

1. **RESOLVED** that adoption of the "HOA DOCUMENT RETENTION POLICY" attached hereto is in the best interests of the Association.
2. **RESOLVED** that the Association, acting through its Board of Directors, hereby adopts the "HOA DOCUMENT RETENTION POLICY" attached hereto.
3. **RESOLVED** that the Association's managing agent, Goddard Management, LLC., is hereby instructed to:
- (1) Execute the Policy on behalf of the Association
 - (2) Ensure that the executed Policy is delivered to the Ellis County Clerk for recording in the Real Property Records of Ellis County, Texas, as a dedicatory instrument of Midlothian Meadows V & VI Homeowners Association.
 - (3) Make the executed and publically recorded Policy available to the Association members as an electronic file without charge upon request by an owner.
 - (4) Post the executed and publically recorded Policy on the Association's website.
 - (5) Include an announcement about the Policy's adoption on the Association's website and in the next community-wide communication.

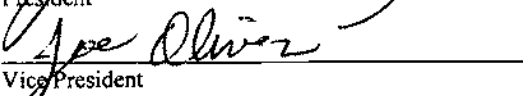
III. ADOPTION

If adopted by unanimous written consents, this Resolution must be signed and dated by each director, and may be signed in multiple counterparts. If adopted at a meeting of the Board of Directors at which a quorum is present, the minutes of the meeting must report the consents by which this Resolution is approved by the Board.

Signatures & Dates:



President



Vice President



Secretary