

BYLAWS OF
WILLIAMSBURG ESTATES HOMEOWNERS' ASSOCIATION
(A Texas Non-Profit Corporation)

ARTICLE I

1.01 Definitions. The words defined in the Declaration of Covenants, Conditions and Restrictions recorded in Volume _____, Page _____, et seq., Deed Records, Tarrant County, Texas (the "Declaration") shall have the same meaning in these Bylaws.

ARTICLE II

2.01 Name. The name of this Corporation shall be WILLIAMSBURG ESTATES HOMEOWNERS' ASSOCIATION, INC. (hereinafter called the "Association").

ARTICLE III

OFFICES

3.01 Principal Office. The principal office of the Association shall be as designated with the Secretary of State of the State of Texas, as it may be changed from time to time.

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 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 will have the responsibilities of administering and enforcing the covenants, conditions and restrictions contained in the Declaration, including the collection and disbursement of charges and assessments created therein through a Board of Directors. In the event of any dispute or disagreement between any Members relating to the Properties, 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. The determination of such dispute or disagreement by the Board

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 the Board.

4.02 Place of Meeting. Meetings of the Association shall be held at such suitable place, reasonably convenient to the Members, as the Board of Directors may determine.

4.03 Annual Meetings. The first meeting of the Association shall be held within three (3) years 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 at the hour of 4:00 p.m. At such meetings there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Paragraph 5 of Article V of these Bylaws. The Members may also transact such other business of the Association as may properly come before them. 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 which is not a legal holiday.

4.04 Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a written request of the Class C Member or Members who are entitled to vote one-fourth (1/4) of all of the votes of Class A membership. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting. Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the President of such resolution or petition.

4.05 Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail by ordinary mail, postage prepaid, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, a written notice of each annual or special meeting, stating the purpose thereof as well as the day, hour and place it is to be held, to each Member entitled to vote at such meeting, at least fifteen (15) days, but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

4.06 Quorum. The presence at the meeting of Members entitled to cast, or a proxy entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided within the Articles of Incorporation, the Declaration, or the Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat 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.

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

4.08 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;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

ARTICLE V

BOARD OF DIRECTORS

5.01 Number and Qualification. Until the first meeting of the Association, the affairs of this Association shall be governed by a Board of Directors consisting of the two (2) persons delineated in the Articles of Incorporation of the Association. At such first meeting, there shall be elected five (5) directors to the Board of Directors who shall thereafter govern the affairs of this 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 Property in keeping with the character and quality of the area in which they are located. The Board of Directors may do all such acts and things except as by law or by these Bylaws or by the Declaration may not be delegated to the Board of Directors.

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, the Bylaws, or the rules and regulations adopted pursuant thereto, 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 thereafter.

5.04 Election and Term of Office. At the first meeting of the Association the term of office of three (3) Directors shall be fixed at two (2) years and the term of office for two (2) 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 two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

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, 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 a successor is elected at the next annual meeting of the Association.

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 a majority of members entitled to vote, 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 Organization Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Members shall be held within ten (10) days thereafter 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 legally to constitute such meeting, providing a majority of the whole Board 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 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 on 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 or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Director.

5.10 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 shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors 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. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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

5.13 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.

5.14 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 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 among Members or non-Members.

ARTICLE VI

OFFICERS

6.01 Designation. The officers of the Association shall be a President, a Vice President, 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, elect. 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 organizational meeting of each new Board and shall hold office subject to the continuing approval of the Board.

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 elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any 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 of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.04 Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or otherwise 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 among 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 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 also perform any duties he is directed to perform by the President.

6.07 Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and these Bylaws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of 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 he is directed to perform by the Secretary.

6.09 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of 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.

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 (whether civil, criminal, administrative, or investigative), 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), 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:

(1) acted in good faith in the transaction which is the subject of the suit; and

(2) 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, that his or her conduct was not opposed to the best interests of the Association; and

(3) 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, 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.

(D) A determination that the standard of paragraph (C) above has been satisfied must be made:

(1) 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

(2) 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 or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(3) by special legal counsel selected by the Board of Directors, or a committee of the Board by vote as set forth in subparagraphs (1) or (2) 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)(3) 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 (G) 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 good faith belief that he has met the standard of conduct necessary for indemnification under paragraph (C), 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 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 at the next notice or waiver of notice of annual meeting, or within twelve months, 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 Group Assessments.

Other. The Board of Directors, Officers, or representatives of the Association shall enter 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).

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 or committee thereof authorizing such contract or transaction, or because such person's votes are counted for such purpose.

(B) Paragraph (A) above will apply only if:

(1) 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, or the members; or

(2) 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 and the Board or Committee nevertheless in good faith authorizes or ratifies the contract or trans-

action 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 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 as allowed by the Texas Non-Profit Corporation Act. 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 one and 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; and such regis-

tration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interest of (all of) the Owner(s) thereof.

ARTICLE X

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNER

10.01 Abatement and Enjoinment. The violation of any rule or regulation, or the breach of any Bylaw, or the breach of 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 any breach.

ARTICLE XI

BOOKS AND RECORDS

11.01 Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

NON-PROFIT ASSOCIATION

12.01 Non-Profit Association. This Association is not organized for profit. No Member, 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, always (1) that reasonable compensation may be paid to any Member, Director or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that 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.

ARTICLE XIII

EXECUTION OF DOCUMENTS

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

ARTICLE XIV

PROXY TO TRUST

14.01 Proxy to 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 obligations of an Owner.

ARTICLE XV

CONFLICTING OR INVALID PROVISIONS

15.01 Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article of these Bylaws be in conflict with the provisions of the Texas Non-Profit Corporation 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 is reasonable, shall be valid and operative.

ARTICLE XVI

NOTICES

16.01 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, and 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.

ARTICLE XVII

MISCELLANEOUS

17.01 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.

IN WITNESS WHEREOF, we being all of the initial Directors of the Williamsburg Estates Homeowners' Association, hereby adopt the foregoing Bylaws for the Association as of the _____ day of _____, 1990.

Douglas H. Gilliland

Rich Burns

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Williamsburg Estates Homeowners' Association, a Texas non-profit corporation, and,

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 1990.

Secretary

JSG/df#W(6)
LAWS1

ARTICLES OF INCORPORATION

OF

WILLIAMSBURG ESTATES HOMEOWNERS' ASSOCIATION, INC.

I, the undersigned natural person of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE I

The name of the corporation is WILLIAMSBURG ESTATES HOMEOWNERS' ASSOCIATION, INC. (hereinafter referred to as the "Association").

ARTICLE II

The Association is a non-profit corporation.

ARTICLE III

The period of its duration is perpetual.

ARTICLE IV

The principal office of the Association is located at 500 Grapevine Highway, Suite 231, Hurst, Texas 76054.

ARTICLE V

Douglas H. Gilliland, whose address is 500 Grapevine Highway, Suite 231, Hurst, Texas 76054, is hereby appointed the initial registered agent of this Association.

ARTICLE VI

The Association does not contemplate pecuniary gain or profit to its Members. The purpose or purposes for which the Association is formed are to provide for the maintenance, preservation and management of the residence Lots and Common Area on that certain tract of property described in Exhibit "A", attached hereto and made a part hereof, as shown in a plat recorded in Volume _____, Page _____, Plat Records, Tarrant County, Texas (hereinafter referred to as the "Properties") as more fully described in that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") filed in Volume _____, Page _____, et. seq., Deed Records of Tarrant County, Texas, and for any and all other property which is accepted by this Association for similar purposes, and to promote the health, safety and

welfare of the residents within the Properties and all other property which is accepted by this Association for similar purposes. The purposes of this Association are as follows:

- a. To exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration, as same may be amended from time to time, the Declaration being incorporated herein as if set forth at length;
- b. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration and/or Bylaws; and, as agent, pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of this Association including all licenses, taxes or governmental charges levied or imposed against the property of this Association and to make disbursements, expenditures and payments on behalf of the said property Owners as required by the Declaration and the Bylaws of the Association; and to hold as agent for said property Owners reserves for periodic repairs, maintenance and capital improvements to be made as directed by the property Owners acting through the Board of Directors of the Association;
- c. To acquire by gift, purchase or otherwise, to own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or to otherwise dispose of real or personal property in connection with the affairs of this Association subject to the limitations, if any, set forth in the Declaration;
- d. To maintain all landscaping and recreational equipment on that certain Lot 12, Block 1, Lot 37, Block 2 and Lot 1, Block 4 of the Property and Lot 1, Block 1, Oak Timbers Estates, an addition to the City of _____, Tarrant County, Texas, as shown on a plat recorded in Volume _____, Page _____, et seq., Plat Records, Tarrant County, Texas (collectively called the "Additional Properties").
- e. To borrow money, and with the assent of two-thirds (2/3) of each class of Members, mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the limitations, if any, set forth in the Declaration;
- f. To provide general sanitation and cleanliness of Common Properties;

g. To provide management, upkeep, maintenance, repair and care of the Common Properties as provided in the Declaration and those Additional Properties described herein;

h. To incur or assume obligations and duties to the City of _____, Texas, or any other governmental authority, regarding the development, operation and maintenance of the Common Properties and any improvements within the Common Properties and those Additional Properties described herein;

i. To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of the Association in accordance with the Declaration;

j. To have and to exercise any and all powers, rights and privileges a corporation organized under the Non-Profit Corporation Law of the State of Texas, may now or hereafter exercise;

k. To dedicate, sell or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of Members, agreeing to such dedication, sale or transfer;

l. To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Properties, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of Members.

ARTICLE VII

Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of a Lot. Every Member shall have the right at all reasonable times during business hours to inspect the books of the Association.

ARTICLE VIII

The Association shall have three classes of voting membership:

CLASS A: Class A Members shall be all Members other than Class B and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and 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 such Lot.

CLASS B: Class B Members shall be any bona fide Owner who is engaged in the process of constructing a residential dwelling on any Lot for sale to consumers. Class B Members shall be non-voting members of the Association. The Class B membership shall cease, and each Class B Member shall become a Class A Member:

(i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class C membership; or

(ii) on the tenth (10th) anniversary of the date hereof, whichever occurs first in time.

CLASS C: The Class C Member shall be Declarant. The Class C Member shall be entitled to six (6) votes for each Lot which it owns and for each Lot owned by all Class B Members.

Notwithstanding the aforementioned voting rights within the Association and consistent with the provisions of Section 12.02 of the Declaration, until:

(a) Declarant no longer owns:

(i) record title to any Lot; and

(ii) a lien interest in any Lot; and

(iii) title to any adjoining acreage intended to be developed as an additional section or phase of Williamsburg Estates; or

(b) January 1, 2020,

whichever occurs first in time, neither the Association nor the Members shall take any action or inaction with respect to any matter whatsoever without the consent and approval of the Declarant, which shall not be unreasonably withheld or delayed.

ARTICLE IX

The Members of the Association shall elect the Board of Directors of the Association (the "Board"), and the Board shall, by majority rule, conduct all of the business of the Association, except when membership votes are required pursuant to the Declaration, the Articles of Incorporation or Bylaws of the Association. The number of Directors constituting the initial Board of the Association is two (2) and the names and addresses of the persons who are to serve as the initial Board of Directors are:

<u>NAME</u>	<u>ADDRESS</u>
Douglas H. Gilliland	500 Grapevine Highway, Suite 231 Hurst, Texas 76054
Rich Burns	500 Grapevine Highway, Suite 231 Hurst, Texas 76054

The Association may make whatever rules and bylaws it deems desirable to govern the Association and its members, provided, however, any conflict between such bylaws and the provisions hereof shall be controlled by the provisions of the Declaration.

ARTICLE X

The name and street address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Douglas H. Gilliland	500 Grapevine Highway, Suite 231 Hurst, Texas 76054

ARTICLE XI

All terms as used herein, such as (but not by way of limitation) "Owners," "Properties," "Lot," "Common Properties", "Member" and "Declarant," shall have the same meanings as set forth in the Declaration.

ARTICLE XII

No Director of the Association shall be personally liable to the Association for monetary damages for an act or omission in the Director's capacity as a Director, except that this paragraph does not eliminate or limit the liability of a Director for (1) a breach of a Director's duty of loyalty to the Association, (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the

law, (3) a transaction from which a Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office, or (4) an act or omission for which the liability of a Director is expressly provided for by statute. Neither the amendment or repeal of this Article shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment or repeal. If the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act is hereinafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the Association shall be eliminated or limited to the fullest extent permitted by the Texas Non-Profit Corporation Act or the Texas Miscellaneous Corporation Laws Act, as so amended from time to time.

ARTICLE XIII

(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, then such persons named above shall be indemnified to the full extent permitted by Article 1396-2.22A of the Texas Non-Profit Corporation Act as it may exist from time to time.

(B) In case of a threatened or pending suit, action or proceeding (whether civil, criminal, administrative, or investigative), 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), 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:

(1) acted in good faith in the transaction which is the subject of the suit; and

(2) 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, that his or her conduct was not opposed to the best interests of the Association; and

(3) 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, 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.

(D) A determination that the standard of paragraph (C) above has been satisfied must be made:

(1) 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

(2) 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 or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(3) by special legal counsel selected by the Board of Directors or a committee of the Board by vote as set forth in subparagraphs (1) or (2) above, or if such 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) (3) 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), 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 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 at the next notice or waiver of notice of annual meeting, or within twelve months, whichever is sooner.

ARTICLE XIV

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XV

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, I the undersigned,

constituting the Incorporator of this Association, have executed
these Articles of Incorporation this ____ day of _____,
1990.

DOUGLAS H. GILLILAND

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