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AMMENDED DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS OF  
THE MEADOWS, PHASE 1, A SUBDIVISION IN  
ANDERSON COUNTY, TEXAS

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THE STATE OF TEXAS \*

COUNTY OF ANDERSON \*

WHEREAS, GARY E. BABICH, as Developer-Owner filed certain amendment of declaration of covenants, conditions, and restrictions of record in Volume 1392, Page 632, Deed Records, Anderson County, Texas, which covenants, conditions, and restrictions affect lots located in The Meadows, Phase 1, which subdivision is also known as The Meadows Sec. No.1, as the Plat of said subdivision appears of record in Map Envelope No. 183-B Map Records, Anderson County, Texas, and;

WHEREAS, GARY E. BABICH, as Developer-Owner assigned, conveyed, and transferred rights, privileges and powers regarding The Meadows, Phase 1 to The Lake Palestine Meadows Property Owners, Association, Inc., sometimes hereinafter called the POA, in Volume 2207, Page 0149, Deed Records, Anderson County, Texas, and;

WHEREAS, on the 17<sup>th</sup> of July, 2010, THE MEMBERS OF THE POA have voted upon and duly passed by a more than two-thirds majority of voting members proposals to amend certain portions of the covenants, conditions, and restrictions of The Meadows, Phase 1, a subdivision in Anderson County, Texas;

WHEREAS, in order to conserve funds that would be required for the recordation of each and every ballot, a summary of the vote along with the tally for all property owners Member numbers, and their names is hereby attached;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the Amendment of Declarations of Covenants, Conditions, and Restrictions of The Meadows, Phase 1, a Subdivision in Anderson, County, Texas, as same appears

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of record in Volume 1392, page 632, Deed Records, Anderson County, Texas, are hereby amended as follows:

**1. LAND USE AND BUILDING TYPE:**

No lot shall be used except for residential purposes. No occupied building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height.

**2. ARCHITECTURAL CONTROL:**

No building shall be erected, placed, or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee, hereinafter called the ACC, as to the quality of workmanship and materials, harmony of exterior design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed, or altered on any lot unless similarly approved. Approval shall be as provided in the paragraph entitled Architectural Control. In any event no fence shall be located nearer to the front lot line than the minimum building setback line.

**3. SIZE OF DWELLINGS:**

The ground floor area of the main structure, exclusive of one-story open porches and garages, shall not be less than 1,600 square feet for a one-story dwelling, nor less than 1000 square feet for a dwelling of more than one-story. The second story of a dwelling of more than one story must contain not less than 600 square feet. Each residence shall have at least a single-car garage, attached or detached, with an operable door and with a paved drive to the garage.

**4. BUILDING LOCATION:**

No building shall be located on any lot nearer the front lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. In any event no building shall be located nearer than 20 feet to any side street line. No building shall be located on any lot nearer than 15 feet to an interior lot line. No dwelling shall be located nearer than 25 feet to the rear lot line. For purposes of this covenant, eaves, steps, and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. Provided, however, subject of Paragraph 5 hereof, any person owning two or more contiguous lots may locate a residence on such lots without reference to these Restrictions and to distances from the outside lines of the lots so owned.

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**5. EASEMENTS:**

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat, and as hereinafter stated in this Paragraph 5. Utilities and/or drainage easements are hereby reserved as follows:

- (A) Fifteen (15) feet in width across the front of each lot or along any side street.
- (B) Ten (10) feet in width across the rear of each lot.
- (C) Five (5) feet in width along each interior lot line.

But provided, however, the owner of two or more contiguous lots may, subject to approval of the ACC, and if such easement areas are not, at that time, being used for utilities and/or drainage purposes, locate residences on such lots without reference to the easements along the interior lot lines of such lots, but not in violation of these Restrictions as to easements along outside lines of the lots owned.

**6. NUISANCES:**

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

**7. TEMPORARY STRUCTURES:**

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

**8. CONSTRUCTION STANDARDS:**

All structures constructed in the subdivision shall be made of new material and constructed in a good and workmanlike manner. Unless specifically waived by the ACC, at least twenty-five percent (25%) of the exterior walls of any residence must be of masonry construction. All structures must be completed within eight (8) months of commencement of construction. For purposes of this paragraph, commencement of construction shall mean the date the plans and specifications are approved by the ACC, or the date the work first commences, whichever is earlier. All contractors performing work in the subdivision must be approved by the ACC which approval will not be unreasonably withheld.

9. ENFORCEMENT:

The enforcement of these Restrictions shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant to compel compliance with or to restrain violation of these Restrictions, and/or to recover damages. The POA does not, and shall not, have any obligation to institute or participate in any legal actions to enforce these restrictions. The participation by the POA in any enforcement proceedings shall be solely at the discretion of the POA, and the POA is not making any warranty or representation that it will or will not enforce or join in enforcement of these Restrictions. In the event that suit is filed to enforce the terms if these Restrictions, the prevailing party in such suit shall be entitled to recover reasonable attorney's fees.

10. SEVERABILITY:

Invalidation of any one of these covenants by judgment or Court Order shall in no wise affect any of the other provisions which shall remain in full force and effect.

11. SIGNS:

No signs of any kind shall be displayed to the public view on any lot except for one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by the builder to advertise the property during the construction and sales period.

Except of signs used by the POA, no billboard, sign boards, or advertisement displays of any kind, including for sale signs, shall not be installed, maintained or permitted to remain on any residential lot.

12. OIL AND MINING OPERATIONS:

Subject to the rights of the mineral estate owner, no oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any lot.

13. LIVESTOCK AND POULTRY:

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot less than 3 acres, except that dogs, cats, or other household pets may be kept provided they are not kept, bred, or maintained for any commercial purposes.



14. GARBAGE AND REFUSE DISPOSAL:

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for storage and disposal of such material shall be kept in a clean and sanitary condition.

15. WATER SUPPLY:

No individual water supply system shall be permitted on any lot.

16. SEWAGE DISPOSAL:

Sewage disposal shall be by individual septic systems which septic systems must comply with all applicable rules and regulations.

17. RESUBDIVISION:

None of the lots in the subdivision shall be re-subdivided in any fashion.

18. MAINTENANCE OF LOTS:

All lots shall be kept in a neat and orderly condition. Should any lot owner fail to do so, the POA shall have the right, but not the obligation, to mow or clean the lot with the cost of such work charged to the lot owner. To secure the payment of such cost, there is hereby created a lien against such lot which lien, to be enforced against any subsequent purchaser must be evidenced by an instrument in writing filed of record with the County Clerk of Anderson County, Texas, setting out the amount of such charges. Upon payment of such charges, lot owners shall be entitled to a release showing that payment has been made.

19. ARCHITECTURAL CONTROL:

19.1 The Architectural Control Committee (ACC), as appointed by the President of the POA, shall be a standing committee and shall provide Architectural Control for the subdivision. No member of the ACC will entitled to compensation for services performed pursuant to this covenant.

19.2 The ACC may waive, in writing, compliance with these Restrictions as may be necessary in individual instances as may necessary in order to prevent hardship and to promote the development of this Subdivision, but in so doing, the ACC shall endeavor to adhere as closely as possible to the spirit and intent of such paragraphs and these Restrictions.

20. FIREARMS:

Firearms shall not be used or displayed in any irresponsible or dangerous manner, nor shall firearms be discharged within the subdivision.

21. PROPERTY OWNERS ASSOCIATION:

- 21.1. The Lake Palestine Property Owners' Association, Inc. (POA) shall be the administrative and governing body for the conduct of business for the Subdivision.
- 21.2. Each property owner in the Subdivision has a single membership in the POA.
- 21.3. The business and affairs of the POA shall be managed by the Board of Directors.
- 21.4. The Board of Directors shall have the following powers and functions:
  - 21.4.1. Establish and adjust the fee schedule for membership in the POA and use of facilities
  - 21.4.2. Collect and expend in the interest of the POA as a whole the fees or funds collected from the membership according to its best judgment.
  - 21.4.3. Establish such Bylaws, rules, and restrictions by appropriate proceedings, as may be necessary or desirable in the performance of its duties and functions.
  - 21.4.4. Enforce the covenants and restrictions by appropriate proceedings, but this power shall not be exclusive and may also be exercised by any property owner in the Subdivision.
- 21.5. The POA may hereinafter, by action of the Committees, perform any or all of the following functions:
  - 21.5.1. Purchase, lease, or own real estate for any common purpose such as recreational use, utilities systems and operation, fire and police protection and similar uses.
  - 21.5.2. Own, Operate and maintain equipment for recreational, sanitation, civic or community purposes.
  - 21.5.3. Employ personnel for the care and operation of such common facilities for which the POA funds are used, whether or not such facilities are owned by the POA.

- 21.5.4. Incorporate the POA under the laws of the State of Texas as a nonprofit corporation.
- 21.5.5. Maintain street and common areas in the Subdivision.
- 21.5.6. Provide such other services as may be necessary or desirable.
- 21.6. The POA shall have the right to operate legitimate recreational facilities upon the areas designated on the plat as "Common Areas" or upon any lot or lots on the plat of said Subdivision, and shall have the right to construct and operate any and all facilities in connection therewith, such as, but not limited to, boat ramps and parking areas and other types of recreational facilities. All such facilities constructed by the POA shall be operated and maintained by the POA.
- 21.7. Dues and fees assessed by the POA shall be made on the basis of a charge for each membership and a separate charge for each dwelling. To secure payment of such dues and fees, a lien is hereby created against the property of the individual member of the POA, and if not paid, the POA may file of record an instrument in writing with the County Clerk of Anderson County, Texas, setting forth the amount of such unpaid dues and/ or fees. Upon the payment of the amount due, the property owner shall be entitled to a release stating that such dues, fees, and assessments have been paid.
- 21.8. Although the POA has the right to carry out the above functions, there are no warranties or representations that such services of amenities will be provided by the POA.

**22.ADDITIONAL LAND:**

The POA may subject additional land to these Restrictions and if additional land is subjected to the covenants, conditions and restrictions contained herein, the owners of lots contained within such additional land shall also be bound by these Restrictions and any additional lots made subject hereto shall be counted as described in paragraph 21 when determining whether certain percentage of the owners have joined in or agreed to any changes in these Restrictions.

**23.OUTSIDE BUILDINGS, LANDSCAPING, EXTERIOR PAINTING, ADDITIONS AND SMALLER STRUCTURES:**

Outside buildings, landscaping, exterior painting colors, additions, such as patios and carports, and smaller structures, such as basketball goals, clothes lines, etc. shall not be installed until approved by the ACC. Plans for such shall

be submitted in writing at least thirty (30) days prior to commencement of construction.

24. COMMERCIAL OPERATIONS:

No commercial operations or businesses, other than strictly in the home businesses, shall be allowed within the Subdivision, and no storage of commercial equipment or materials shall be allowed on any property within the Subdivision.

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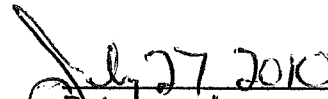
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Signed for the Lake Palestine Property Owners' Association, Inc.

  
Dennis Baker, President

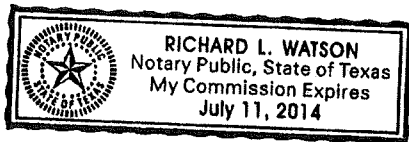
  
Date

STATE OF TEXAS \*

COUNTY OF ANDERSON \*

This instrument was acknowledged before me on the

27 Day of July, 2010 by DENNIS BAKER



  
Notary Public

The Lake Palestine Meadows Property Owners' Association, Inc.

Member NO.	Names	Ballot Mailed/ Hand Delivered	Absentee Vote Received	Proxy Assignment Received	Voted at Meeting (Signatures)
1	Eddie J. Clark	06/10/10			
2	Roxanne Schultz	06/10/10	7/9/10		
3	Lawrence T & Susan Kemp	06/10/10			
4	Darrell E Jr & Charlene H Hall	06/10/10			
5	Jerry & Jamie Schmitz	06/10/10			
6	Kenneth Burris	06/10/10			
7	Al & Gracie Nossett	06/10/10			
8	Gregg & Linda Deemer	06/10/10			<i>M.A. Hays</i> <i>H.R. Deemer</i> <i>Jynda Deemer</i>
9	Dennis & Betty Baker	06/10/10			
10	Mike and Debbie Slover	06/10/10			
11	James D Morrison	06/10/10			
12	Anton C Merka	06/10/10			
13	George & Teri Garvey	06/10/10			<i>George Garvey</i>
14	Richard & Cathy Watson	06/10/10			
15	Michael & Erin Hays	06/10/10			<i>Michael Hays</i>
16	Orville Haggard	06/10/10			<i>Orville Haggard</i> <i>Lee Haggard</i>
17	Vinni Haggard	06/10/10	6/23/10 MRP	only	
18	Gary Babich (Developer)	06/10/10	7/9/10 MRP		
19	Keith and Rose White	06/10/10	7/9/10 MRP		
20	D H & Mary Ann Newman	06/10/10			
21	Judy Tidmore	06/10/10			
22	Christopher Whitlow	06/10/10			
23	Glenn & Katrina Holmans	06/10/10			<i>Glenn &amp; Katrina Holmans</i>
24	Donna Stinson	06/10/10			
25	Ed & Rose Pohl	06/10/10			<i>Ed Pohl</i>
26	Jerry & Cheryl Robinson	06/10/10			<i>Jerry Robinson</i>
27	Guy Campbell	06/10/10			
28	Sam Smith	06/10/10			
29	Walter Hill	06/10/10	6/23/10 MRP		
30	Brenda Matthews	06/10/10	7/1/10 MRP		
31	Steven Nava	06/10/10			
32	Barnett & Oden Properties LLC	06/10/10			

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The Lake Palestine Meadows Property Owners' Association, Inc.

PROPOSAL NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	VOTE COUNT	TOTAL FOR	TOTAL AGAINST
PROPOSAL 1 - CHANGES PROCEDURE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15	1
PROPOSAL 2 - DUES ASSESSMENT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14	2
PROPOSAL 3 - 2010 DUES	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	2
PROPOSAL 4 - INCREASE MINIMUM HOME SIZE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14	2
PROPOSAL 5 - GARAGES AND DRIVES	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	3
PROPOSAL 6 - OUTBUILDINGS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14	2
PROPOSAL 7 - OTHER CONSTRUCTION	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	4
PROPOSAL 8 - PAINTING AND LANDSCAPING	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	5
PROPOSAL 9 - COMMERCIAL OPERATIONS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14	2
PROPOSAL 10 - THE DEVELOPER	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15	1

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 FOR  
 AGAINST

Date: 7-22-10

*[Signature]*  
 Chairman of Canvassing Committee

CERTIFIED CORRECT:

\* WITH COMMENTS  
 Return To:  
 Sue Miles

July 17, 2010 - General Meeting  
 Vote Count

ANNOUNCEMENT

**BYLAWS**  
**THE LAKE PALESTINE MEADOWS PROPERTY OWNERS' ASSOCIATION, INC.**  
(Adopted February 24, 2010)

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## **ARTICLE I: PURPOSES AND POWERS**

### **1. Purposes.**

The specific purposes for which the Association is formed are:

- a. To provide for the acquisition, construction, management, maintenance and care of the Association property, including common areas;
- b. To provide for and assist in maintenance, preservation and architectural control of the Subdivision and to promote the health, safety and welfare of the Owners and residents;
- c. To borrow money (if necessary) and to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, encumber, dedicate for public use or otherwise of real or personal property in connection with the affairs of the Association, subject to the terms and provisions of, and limitations and prohibitions within the laws governing non-profit corporations organized in the State of Texas.
- d. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as may be set forth in the Restrictions or the Certificate of Formation, or as may be otherwise prescribed by the Association;
- e. To fix, levy, collect and enforce payment by any lawful means, all obligations owed to the Association, and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including any licenses, taxes or governmental charges which may be levied or imposed against the common areas or any other property owned by the Association; and
- f. Insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the Owners and residents of the Subdivision.

### **2. Compliance with Laws.**

The Association shall at all times comply with such State and Federal laws and regulations so as to obtain and maintain, insofar as is possible, nonprofit status and exemption from taxation.

### **3. Prohibited Activities.**

This Association is and shall be treated as a property owners association under Section 528 of the Internal Revenue Code of 1954. The Association does not contemplate pecuniary gain or profit to the Members thereof. No part of the net earnings of the Association shall inure to the benefit of or be distributable to any Member, director or officer of the Association, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Association related or pertaining to one or more of its purposes). No part of the activities of the Association shall include carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or

intervening in (including the publication or distribution or statements) any political campaign on behalf of any candidate for public office.

## **ARTICLE II - DEFINITIONS**

In these Bylaws, the following definitions shall apply:

1. **Amended Declaration** - the "Amendment of Declaration of Covenants, Conditions, and Restrictions of The Meadows, Phase 1, A Subdivision in Anderson County, Texas" filed at Volume 1392, Page 632 of the Deed Records of Anderson County, Texas.
2. **Architectural Control Committee** - the Committee formed for the purpose of overseeing architectural standards in the Subdivision and exercising the other powers assigned to it in the Covenants. Sometimes referred to as "ACC." The term "Architectural Control Committee" is synonymous with the terms "Architectural Controller," "Meadows Improvement Committee," "Meadows Improvement Association", "Improvement Association", and "Improvement Committee."
3. **Assessments** - the contributions assessed against each owner or lot, payable to the Association, as defined in the Restrictions. The term shall include both Regular Assessments and Special Assessments.
4. **Association** - The Lake Palestine Meadows Property Owners' Association, Inc., a Texas Non-Profit Corporation.
5. **Board** - the Board of Directors of the Association.
6. **Common areas** - the entire Subdivision except the Lots, subject to all easements and rights described in the Restrictions, including but not limited to all areas of land within the Subdivision which are known, described or designated as common green, common areas, recreational easements, green belts, open spaces, private streets, jogging and bicycle trails, swimming pools, tennis courts, recreational centers or bodies of water on any recorded subdivision plat of the Subdivision or intended for or devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now or may hereafter be constructed thereon.
7. **Covenants** - the Declaration, Amended Declaration, and any other covenants that run with the land, equitable servitude, or other obligation that imposes requirements relating to architectural standards, use of the property, conduct of the residents, or similar matters collectively on the persons who own property in the Subdivision, whether filed of record or not, but excluding laws, regulations, and similar obligations imposed by a governmental entity. The term shall include any further or subsequent supplements, amendments, additions or modifications to the foregoing instruments, all of which are incorporated herein by reference for all purposes. Synonymous with the terms "Restrictions" and "Restrictive Covenants."
8. **Declaration** - the "Declaration of Covenants, Conditions and Restrictions of The Meadows, Phase One, A Subdivision in Anderson County, Texas" filed at Volume 993, Page 528 of the Deed Records of Anderson County, Texas.

9. Developer - GARY E. BABICH, JESSE SMITH, JR., SHEILA SMITH, GUY T. CAMPBELL, ROBERT TIDMORE, and LINDA TIDMORE, any of their successors or assigns, and any other person who now holds or who once held the powers of an owner or developer over the Subdivision.
10. Dues - synonymous with "Assessments."
11. Facilities - The Common Areas and all other property, equipment, or services provided or owned by the Association.
12. Lot - any plot or tract of land shown upon any recorded subdivision map(s) or plat(s) of the Subdivision, as amended from time to time, which is designated as a lot thereon.
13. Member - a person or entity who owns one or more Lots.
14. Obligation - any amount of money owed to the Association, including but not limited to dues, special assessments, cleanup costs, rental fees, late fees, fines, collection costs, attorney's fees, or other charges of any kind whatsoever.
15. Owner - any person or entity who is a record owner of an interest in any Lot, or who is a purchaser pursuant to a contract for deed; however, the word "Owner" shall not include any person or entity who hold a bona fide lien or interest in a Lot merely as security for the performance of an obligation.
16. Regular Assessment - a recurring annual contribution assessed against each owner or lot, payable to the Association, as defined in the Restrictions.
17. Restrictions - synonymous with "Restrictive Covenants" and "Covenants."
18. Restrictive Covenants - synonymous with "Covenants" and "Restrictions."
19. Special Assessment - a one-time contribution assessed against each owner or lot, payable to the Association, as defined in the Restrictions.
20. Subdivision - the real property in Anderson County, Texas known as The Meadows Subdivision and which is governed by the Restrictive Covenants.

<b>ARTICLE III - OFFICES</b>
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**1. Registered Office and Agent**

The registered office and registered agent of the Corporation shall be as set forth in the Corporation's Certificate of Formation. The registered office or the registered agent may be changed by resolution of the Board of Directors, upon making the appropriate filing with the Secretary of State.

**2. Principal Office**

The principal office of the Corporation shall be at \_\_\_\_\_, provided that the Board of Directors shall have the power to change the location of the principal office.

**3. Other Offices**

The Corporation may also have other offices at such places, within or without the State of Texas, as the Board of Directors may designate, or as the business of the Corporation may require or as may be desirable.

**ARTICLE IV - MEMBERS**

**1. Classes of Members**

The Corporation shall have one class of members. To qualify for membership a member must be the record owner of one or more lots in the Subdivision, and a person meeting that qualification shall automatically be considered a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

**2. Multiple Owners**

When more than one person holds such interest or interests in any lot, all such persons shall be members. The vote for such Lot shall be exercised as they, among themselves, may determine, but in no event shall more than one vote be cast with respect to any such lot. In the event of any dispute regarding voting among multiple owners, the first person listed as owner of record in the Anderson County tax rolls shall have the right to cast the vote.

**3. Termination of Membership**

Membership in the Corporation may only be terminated when the Member is no longer the record owner of one or more lots in the Subdivision. A member who ceases to be a Member may subsequently become a Member by again becoming a record owner of one or more lots in the Subdivision. Members may not be suspended or expelled, but certain rights and privileges may be suspended pursuant to the procedures set forth herein. Members may not resign or be reinstated.

**4. Rights of Membership**

All members, their immediate families and authorized guests shall have the right to use all of the Association's facilities to the extent permitted by and in accordance with the rules and regulations established by the Board. Members must have paid all obligations to the Association in full in order to use the Association's facilities. In order to vote, all obligations of that Member must be paid by close of business on the last business day preceding the vote. The membership rights of any Member will be automatically suspended without the necessity for any action of the Board during the period when any obligation owed to the Association is unpaid. Upon payment of all obligations in full, the member's rights and privileges shall be automatically restored.

**5. Rules and Regulations**

The Board may establish rules and regulations consistent with these Bylaws and with the Restrictive Covenants. Any owner or tenant who violates the Regulations, Restrictions, or these Bylaws may be fined or may have his or her rights to use of the facilities suspended for up to sixty days for each violation, at the Board's discretion. Guests who violate the Regulations, Restrictions, or these Bylaws may be fined or may have their rights to use of

the facilities suspended for up to sixty days for each violation, or may be permanently prohibited from using any of the facilities, at the Board's discretion.

#### **6. Transfer of Membership**

Membership in this Corporation is not transferable or assignable except by transferring ownership of property in the Subdivision.

#### **7. Place of Meeting**

All Annual Meetings of members shall be held at the Corporation's office or clubhouse in the Subdivision. If the Corporation does not have an office or clubhouse in the Subdivision, then the meeting shall be held at such other location in the Subdivision as designated by the Board of Directors in the Notice of Meeting.

The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any special meeting called by the Board of Directors. Preference should be given to locations in the State of Texas that are accessible to the Members, such as a location within the Subdivision. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Texas. If all of the members meet at any time and place either within or without the State of Texas and consent to the holding of a meeting, such meeting shall be valid without call or notice, and any corporate action may be taken at such meeting.

#### **8. Annual Meeting**

The annual meeting of members shall be held at 1:00 p.m. on the fourth Saturday during the month of January. Failure to hold the annual meeting at the designated time shall not work a dissolution of the Corporation. In the event the Board of Directors fails to call the annual meeting at the designated time, any member may make demand that such meeting be held within a reasonable time, such demand to be made in writing by registered mail directed to any officer of the Corporation. If the annual meeting of members is not called within sixty (60) days following such demand, any member may compel the holding of such annual meeting by legal action directed against the Board of Directors, and all of the extraordinary writs of common law and of courts of equity shall be available to such member to compel the holding of such annual meeting.

#### **9. Notice of Members' Meeting**

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 given not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally, by facsimile transmission, or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Corporation, with postage thereon paid. If transmitted by facsimile, notice is deemed to be given on successful transmission of the facsimile.

The Board of Directors is only required to give notice of the Annual Meeting of Members if it is to be held at a location other than the Corporation's office or clubhouse.

## **10. Special Members' Meetings**

Special meetings of the members may be called by the President, the Board of Directors, by members having not less than one-tenth of the votes entitled to be cast at such meeting.

Only business within the purpose or purposes described in the notice or executed waiver of notice may be conducted at a special meeting of the members.

Any person or persons entitled hereunder to call a special meeting of members may do so only by written request sent by certified mail or delivered in person to the President or Secretary. The officer receiving the written request shall within ten (10) days from the date of its receipt cause notice of the meeting to be given in the manner provided by these Bylaws to all members entitled to vote at the meeting. If the officer does not give notice of the meeting within ten (10) days after the date of receipt of the written request, the person or persons calling the meeting may fix the time of meeting and give the notice in the manner provided in these Bylaws. Nothing contained in this section shall be construed as limiting, fixing, or affecting the time or date when a meeting of members called by action of the Board of Directors may be held.

## **11. Voting of Members**

Each member, regardless of the number of lots in the Subdivision owned, shall be entitled to one (1) vote on each matter submitted to a vote of the members, except to the extent that the voting rights of members of any class or classes are limited, enlarged, or denied by the Certificate of Formation or the restrictive covenants.

Unless otherwise provided by the Certificate of Formation or these Bylaws, a member may vote in person or may vote by proxy executed in writing by the member or by the member's duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and in no event shall it remain irrevocable for more than eleven (11) months. Elections of directors or officers may be conducted by mail, by facsimile transmission, or by any combination of the two.

At each election for directors every member entitled to vote at such election shall have the right to vote, in person or by proxy, for as many persons as there are directors to be elected and for whose election the member has a right to vote.

The vote of the majority of the votes entitled to be cast by the members present, or represented by proxy at a meeting at which a quorum is present, shall be the act of the members meeting, unless the vote of a greater number is required by law, the Certificate of Formation, or these Bylaws.

Any vote may be taken by voice or show of hands unless a member entitled to vote, either in person or by proxy objects, in which case written ballots shall be used.

## **12. Quorum of Members**

Unless otherwise provided in the Certificate of Formation or in these Bylaws, members holding one-tenth of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. Unless otherwise provided in the Certificate of Formation or these

Bylaws, once a quorum is present at a meeting of members, the members represented in person or by proxy at the meeting may conduct such business as may be properly brought before the meeting until it is adjourned, and the subsequent withdrawal from the meeting of any member or the refusal of any member represented in person or by proxy to vote shall not affect the presence of a quorum at the meeting. Unless otherwise provided in the Certificate of Formation or these Bylaws, the members represented in person or by proxy at a meeting of members at which a quorum is not present may adjourn the meeting until such time and to such place as may be determined by a vote of the majority of the members represented in person or by proxy at that meeting.

### **13. Fixing Record Dates for Determining Members Entitled to Vote and Notice**

The record date for determining the members entitled to notice of a members' meeting and for determining the members entitled to vote at a members' meeting shall be the close of business on the business day preceding the date on which notice is given, or if notice is waived, at the close of business on the business day preceding the date of the meeting.

A determination of members entitled to notice of or to vote at a members' meeting is effective for any adjournment of the meeting unless the Board of Directors fix a new date for determining the right to notice or the right to vote. The Board of Directors must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining members entitled to notice of the original meeting.

### **14. Voting Lists**

After fixing a record date for the notice of a meeting, the Corporation shall prepare an alphabetical list of the names of all the voting members who are entitled to notice of the meeting. The list must show the address and number of votes each voting member is entitled to cast at the meeting. The Corporation shall maintain, through the time of the members' meeting, a list of members who are entitled to vote at the meeting but are not entitled to notice of the meeting. This list shall be prepared on the same basis and be part of the list of voting members.

Not later than two (2) business days after the date notice is given of a meeting for which a list was prepared, as provided above, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the meeting at the Corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. A voting member or voting member's agent or attorney is entitled on written demand to inspect and to copy the list at a reasonable time and at the member's expense during the period it is available for inspection.

The Corporation shall make the list of voting members available at the meeting, and any voting member or voting member's agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

### **15. Committees of the Members**

The members, by resolution adopted by a majority of the members, may designate one or more committees which, to the extent provided in such resolution, shall have and exercise the authority of the members in the management of the Corporation, except as limited by



the Certificate of Formation, these Bylaws or the Texas Business Organizations Code. Each such committee shall consist of two or more members. The designation of such committees and the delegation thereto of authority shall not operate to relieve the members of any responsibility imposed upon it or him by law.

Each member of a committee shall continue as such until the next annual meeting of the members of the Corporation and until a successor is appointed in the committee member's stead, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. Unless otherwise provided in the resolution designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the members.

## **ARTICLE V - DIRECTORS**

### **1. Board of Directors**

To the extent not limited or prohibited by law, the Certificate of Formation or these Bylaws, the powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board of Directors of the Corporation. Directors must be Members of the Corporation, but need not be residents of the State of Texas or residents in the Subdivision. To be eligible to be an Officer or Director, a person must have paid all obligations to the Association.

### **2. Number and Election of Directors**

The number of directors shall be five (5) provided that the number may be increased or decreased from time to time by an amendment to these Bylaws or resolution adopted by the Board of Directors, provided that the number of directors may not be decreased to fewer than three (3). No decrease in the number of Directors shall have the effect of shortening the term of any incumbent director.

The four Officers of the Corporation shall automatically be Directors. Any person who ceases to be an Officer shall also automatically cease to be a Director. Any person who is also an Officer and who ceases to be an Director shall also automatically cease to be an Officer. All Directors who are not Officers shall be considered "At-Large Directors."

At the first annual meeting of members and at each annual meeting thereafter, immediately after election of the Officers, the members shall elect the At-Large Directors. A director shall hold office until the next annual election of directors and until said director's successor shall have been elected, appointed, or designated and qualified.

The At-Large Directors shall be elected in a single vote. Each member shall have the right to cast one vote in that election. The candidates receiving the most votes, up to the number of At-Large Director positions to be filled, shall be elected as At-Large Directors.

### **3. Powers**

The Board shall be responsible for setting policy and for managing the general affairs of the Association, subject to the limitations imposed by law, the Restrictive Covenants, the Certificate of Formation, and these Bylaws. Subject to those limitations, the Board may exercise all powers of the Association, including but not limited to the following:

- (a) To provide for the care, preservation and maintenance of the common areas and the furnishing and upkeep of any desired personal property for use in or on the Common area;
- (b) To make arrangements for security;
- (c) To pay taxes, insurance and utilities (including without limitation, electricity, gas, water and sewer charges) which pertain to the common areas only;
- (d) To obtain the services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager;
- (e) To obtain legal and accounting services;
- (f) To obtain any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or special assessments which the Board is required to obtain or pay for pursuant to the terms of the Restrictions or which, in its option, shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Restrictions.
- (g) To execute all declarations of ownership for tax assessment purposes with regard to any of the common areas owned by it as an incorporated entity;
- (h) To call for a special meeting or an annual meeting of the members;
- (i) To amend or modify the time and method of collection any and all matters and aspects of any kind or character whatsoever arising out of or related to the dues, except that only the Members shall have the right to change the amount;
- (j) To enter into contracts, maintain one or more bank accounts and to have all the powers necessary or incidental to the operation and management of the Association;
- (k) To protect or defend the common areas from loss or damage by suit or otherwise, to sue or defend in any court of law in behalf of the Association and to provide adequate reserves for repairs and replacements;
- (l) To prepare an annual report each year, and to make a copy of same available to each Owner;
- (m) To enforce the provisions of the Restrictions, Bylaws, and rules and regulations and to enjoin and seek damages and/or fines from any Owner for violation of such

provisions and rules; and

- (n) To exercise all other powers provided in the laws governing non-profit corporations organized in the State of Texas, and all other implied powers necessary and proper to carry out its express powers.

#### **4. Removal and Resignation**

A director may be removed from office, with or without cause, by the Members.

Any Officer or Director who the Board finds is delinquent in his or her obligations to the Association, or has materially violated any provision of these Bylaws, the restrictive covenants, or the Association's rules and regulations, shall automatically be removed from office.

A director may resign by providing written notice of such resignation to the Corporation. The resignation shall be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation shall not be required to make the resignation effective.

#### **5. Vacancies and Increase in Number of Directors**

Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of the previous director. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that Purpose.

#### **6. Annual Meeting of Directors**

Immediately following each annual meeting of members, the Board of Directors elected at such meeting shall hold an annual meeting at which they shall transact such other business as shall come before the meeting. The time and place of the annual meeting of the Board of Directors may be changed by resolution of the Board of Directors.

#### **7. Regular Meeting of Directors**

Regular meetings of the Board of Directors may be held with or without notice at such time and place as may be from time to time determined by the Board of Directors.

#### **8. Special Meetings of Directors**

The Secretary shall call a special meeting of the Board of Directors whenever requested to do so by the President or by two (2) or more directors. Such special meeting shall be held at the date and time specified in the notice of meeting.

#### **9. Place of Directors' Meetings**

All meetings of the Board of Directors shall be held either at the principal office of the Corporation or at such other place, either within or without the State of Texas, as shall be specified in the notice of meeting or executed waiver of notice.

## **10. Notice of Directors' Meetings**

Notice of any special meeting of the Board of Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail to each Director at that Director's address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, the postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transaction at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

## **11. Quorum and Voting of Directors**

A quorum for the transaction of business by the Board of Directors shall be a majority of the number of directors fixed by these Bylaws. Directors present by proxy may not be counted toward a quorum. The act of the majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or the Certificate of Formation.

A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

## **12. Compensation**

Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at any meeting of the Board or Directors. A director shall not be precluded from serving the Corporation in any other capacity and receiving compensation for such services. Member of committees may be allowed similar compensation and reimbursement of expenses for attending committee meetings.

## **13. Committees of the Board of Directors**

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Corporation; amending or restating the Certificate of Formation; adopting a plan of merger or adopting a plan of consolidation with another Corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any

such committee and the delegation of authority to such committee shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law upon the Board of Directors or upon any individual Director.

Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Corporation, and the President of the Corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

Each member of a committee shall continue as such until the next annual meeting of the members of the Corporation and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof.

One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

#### **14. General Duties of Officers and Directors**

Each Officer and Director, and shall have the following duties:

- a. **Training.** Ensure that members are trained to serve on future Boards, especially for your position.
- b. **Planning.** Help the Board in creating a plan of action with specific goals for the year, especially in the area of your responsibility, with input from the Members.
- c. **Communications.** Keep the Members and the Board informed about Association activities, especially in your area of responsibility, by making announcements at meetings and submitting information to the newsletter. Provide information to members regarding Association programs and affairs.
- d. **Information.** Actively participate in the decision-making process of the Association. Gather information about all issues before the Board, share that information with the Board, and engage in constructive discussion and debate at meetings. Provide recommendations to the President on courses

of action, reflecting the best interests of the Association and its members.

- e. **Bylaws.** Gain a working knowledge of the Bylaws, Restrictions, Certificate of Formation, Rules and Regulations, and Robert's Rules of Order as they apply to the Association, comply with them, and help ensure that other Directors, Officers, and committee members comply. Advise the President and/or Board of inappropriate activity or violations.
- f. **Meetings.** Attend all meetings of the Members, Board, and any committees on which the Officer or Director serves whenever possible.

## ARTICLE VI - OFFICERS

### 1. Number of Officers

The officers of a Corporation shall consist of a President, Vice President, Secretary, and Treasurer. No two or more offices may be held by the same person.

### 2. Election of Officers and Term of Office

All officers shall be elected or appointed annually by the Members at the regular annual meeting of the Members, for one-year terms, prior to the election of at-large directors.

### 3. Removal of Officers, Vacancies

Any officer elected or appointed may be removed by a two-thirds majority of the Board of Directors whenever in their judgment the best interests of the Corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

### 4. Powers of Officers

Each officer shall have, subject to these Bylaws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to that office and such duties and powers as the Board of Directors shall from time to time designate. All officers shall perform their duties subject to the directions and under the supervision of the Board of Directors. The President may secure the fidelity of any and all officers by bond or otherwise.

All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws, or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.

In the discharge of a duty imposed or power conferred on an officer of a Corporation, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person, that were prepared or presented by: (1) one or more other officers or employees of the Corporation, including members of the Board of Directors; or

(2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

An officer is not relying in good faith within the meaning of this section if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this subsection unwarranted.

## **5. President**

The President shall be the chief executive officer of the Corporation and shall preside at all meetings of all directors and members. Such officer shall see that all orders and resolutions of the board are carried out, subject however, to the right of the directors to delegate specific powers, except such as may be by statute exclusively conferred on the President, to any other officers of the Corporation.

The President or any Vice-President shall execute bonds, mortgages and other instruments requiring a seal, in the name of the Corporation. When authorized by the board, the President or any Vice-President may affix the seal to any instrument requiring the same, and the seal when so affixed shall be attested by the signature of either the Secretary or an Assistant Secretary.

The President shall be ex-officio a member of all standing committees.

The President shall submit a report of the operations of the Corporation for the year to the directors at their meeting next preceding the annual meeting of the members and to the members at their annual meeting.

## **6. Vice-Presidents**

The Vice-President, or Vice-Presidents in order of their rank as fixed by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and they shall perform such other duties as the Board of Directors shall prescribe.

## **7. The Secretary and Assistant Secretaries**

The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall record all votes and the minutes of all proceedings and shall perform like duties for the standing committees when required. The Secretary shall give or cause to be given notice of all meetings of the members and all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary shall keep in safe custody the seal of the Corporation, and when authorized by the Board of Directors, affix the same to any instrument requiring it, and when so affixed, it shall be attested by the Secretary's signature or by the signature of an Assistant Secretary.

The Assistant Secretaries shall in order of their rank as fixed by the Board of Directors, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary, and they shall perform such other duties as the Board of Directors shall prescribe.

In the absence of the Secretary or an Assistant Secretary, the minutes of all meetings of

the board and members shall be recorded by such person as shall be designated by the President or by the Board of Directors.

**8. The Treasurer and Assistant Treasurers**

The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall keep and maintain the Corporation's books of account and shall render to the President and directors an account of all of the Treasurer's transactions and of the financial condition of the Corporation and exhibit the books, records and accounts to the President or directors at any time. The Treasurer shall disburse funds for capital expenditures as authorized by the Board of Directors and in accordance with the orders of the President, and present to the President's attention any requests for disbursing funds if in the judgment of the Treasurer any such request is not properly authorized. The Treasurer shall perform such other duties as may be directed by the Board of Directors or by the President.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the incumbent's possession or under the incumbent's control belonging to the Corporation.

The Assistant Treasurers in the order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and they shall perform such other duties as the Board of Directors shall prescribe.

**ARTICLE VII - COMMITTEES**

**1. Appointment of Committees.**

The President may appoint committees at any time, designate their duties, and appoint persons to chair such committees, with the approval of the Board. The President and Vice President shall automatically be nonvoting members of all committees.

**2. Minutes.**

All committees shall keep regular minutes of their proceedings and shall promptly deliver those minutes to the Secretary. Each Committee shall report to the Board as needed or when required by the Board. The designation of such committees shall not operate to relieve the Board, or any member, thereof, of any responsibility imposed upon them by law.

**3. Architectural Control Committee.**

The Architectural Control Committee (ACC) shall be a standing committee. The ACC shall perform those duties which are set forth in the Restrictions, and shall periodically report to



the Board. The chair of the ACC shall see to it that minutes are kept for all meetings, and shall deliver those minutes to the Secretary.

#### **4. Dispute Resolution Committee.**

The Board may form a Dispute Resolution committee. The Committee shall be composed of no less than three members nor more than five. It shall be the duty of the Committee to receive complaints from members on any matter involving the Association functions, duties and activities within its field of responsibility, to receive information regarding those matters, and to make findings and issue recommendations for their resolution. The Committee shall report its decisions back to the Board for resolution if further action is required. All Members are required to present any complaints to the dispute resolution committee or to the Board before initiating any legal action against the Association.

### **ARTICLE VIII - CERTIFICATES OF MEMBERSHIP**

#### **1. Certificates of Membership**

The Board of Directors may provide for the issuance of certificates, or cards, or other instruments evidencing membership rights, voting rights or ownership rights (hereinafter referred to as "certificates"), which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or Vice President and by the Secretary or an Assistant Secretary. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors determine.

#### **2. Issuance of Certificates**

When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate shall be issued in that member's name and delivered to the member by the Secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of this Article.

### **ARTICLE IX - INDEMNIFICATION AND INSURANCE**

#### **1. Definitions**

As used in this Article, the following definitions apply:

- a. "Director" shall include any Officer or Director of the Corporation.
- b. "Proceeding" means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.
- c. "Indemnification" or "Indemnify" shall include payment of any judgments, penalties (including excise and similar taxes), fines, settlements, and any reasonable expenses actually incurred (including court costs and attorneys'

fees) in connection with the proceedings.

## **2. Indemnification Required**

The Corporation shall indemnify any Director who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a Director, if the Director conducted himself in good faith, and reasonably believed that:

- a. In the case of conduct in his official capacity as Director, his conduct was in the Corporation's best interests;
- b. In all other cases, that his conduct was at least not opposed to the Corporation's best interests;
- c. In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

Without regard to any other provision in these Bylaws, the Corporation shall indemnify any Director against reasonable expenses actually incurred (including court costs and attorneys' fees) in connection with the proceedings, if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

## **3. Advancing Expenses**

The Corporation shall reimburse or pay reasonable expenses (including court costs and attorneys' fees) in advance, after a Director who is made a defendant or respondent in such a proceeding delivers to the Corporation:

- a. A written affirmation of his good faith belief that he has met the standard of conduct necessary for indemnification; and
- b. a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed by the Corporation if it is ultimately determined that he has not met that standard or if indemnification is otherwise prohibited.

The written undertaking must be an unlimited general obligation of the Director, but need not be secured. It may be accepted without reference to the Director's financial ability to make repayment.

## **4. Indemnification Prohibited**

Without regard to any other provision herein, the Corporation shall not indemnify any Director who is found liable on the basis that any personal benefit was improperly received by him from the Corporation, any Director who is found liable to the Corporation, or any Director found liable for willful or intentional misconduct in the performance of his duty to the Corporation.

## **5. Rights Not Exclusive**

The rights to indemnification granted herein shall not be deemed exclusive of any other rights to which such Officer, Director, or member may be entitled, under any bylaw, agreement, insurance policy or vote of members, statute, case, or rule of law, or otherwise.

## **6. Insurance**

The Corporation may purchase and maintain insurance or another arrangement on behalf of any person who is or was a member, director, officer, employee, or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise, or other entity, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify him or her against that liability. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Corporation would not have the power to indemnify the person only if including coverage for the additional liability has been approved by the members of the Corporation. Without limiting the power of the Corporation to procure or maintain any kind of insurance or other arrangement, the Corporation may, for the benefit of persons indemnified by the Corporation, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Corporation; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Corporation or with any insurer or other person deemed appropriate by the Board of Directors regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Corporation. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be voidable and shall not subject the directors approving the insurance or arrangement to liability, on any ground, regardless of whether directors participating in the approval are beneficiaries of the insurance or arrangement.

## **ARTICLE X - MISCELLANEOUS**

### **1. Waiver of Notice**

Whenever any notice is required to be given to any member or director of the Corporation under the provisions of the Texas Business Organizations Code, the Certificate of Formation, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

### **2. Meetings by Telephone Conference, Electronic or Other Remote Communications Technology**

Subject to the provisions required or permitted by the Texas Business Organizations Code and these Bylaws for notice of meetings, members of the Corporation, members of the Board of Directors, or members of any committee may participate in and hold a meeting of such members, board, or committee by means of: (1) conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other; or (2) another suitable electronic communications system, including videoconferencing technology or the Internet, only if: (a) each member entitled to participate in the meeting consents to the meeting being held by means of that system; and (b) the system provides access to the meeting in a manner or using a method by which

each member participating in the meeting can communicate concurrently with each other participant. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**3. Seal**

The Corporation may adopt a corporate seal in such form as the Board of Directors may determine. The Corporation shall not be required to use the corporate seal and the lack of the corporate seal shall not affect an otherwise valid contract or other instrument executed by the Corporation.

**4. Contracts**

The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**5. Checks, Drafts, Etc.**

All checks, drafts or other instruments for payment of money or notes of the Corporation shall be signed by such officer or officers or such other person or persons as shall be determined from time to time by resolution of the Board of Directors.

**6. Deposits**

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

**7. Gifts**

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

**8. Books and Records**

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the members, Board of Directors, and committees and shall keep at the registered office or principal office in this State a record of the names and addresses of its members entitled to vote. A member of the Corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Corporation relevant to that purpose, at the expense of the member.

**9. Financial Records and Annual Reports**

The Corporation shall maintain current true and accurate financial records with full and correct entries made with respect to all financial transactions of the Corporation, including

all income and expenditures, in accordance with generally accepted accounting practices. All records, books, and annual reports (if required by law) of the financial activity of the Corporation shall be kept at the registered office or principal office of the Corporation in this state for at least three years after the closing of each fiscal year and shall be available to the public for inspection and copying there during normal business hours. The Corporation may charge for the reasonable expense of preparing a copy of a record or report.

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member. All minutes of Executive Sessions will be kept in a secured location and not be available for members' review. Minutes of all other meetings shall be made available to any Member during the Association's regular business hours. Board shall comply with all laws regarding recordkeeping and availability of records to members, as set forth in the laws governing non-profit corporations organized in the State of Texas. A copy of these Bylaws shall be provided to any Member by the Secretary upon request. The Corporation will keep correct and complete books and records of account, including the following:

- a. Official documents - a file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the Certificate of Formation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- b. Corporate documents - A copy of all bylaws and any amended versions or amendments to them.
- c. Minutes - Minutes of the proceedings of the members, Board, and committees having any of the authority of the Board.
- d. Names and Addresses - A list of the names and addresses of the members, directors, officers, and any committee members of the Corporation.
- e. Financial Statements - Financial statements showing the Corporation's assets, liabilities, and net worth at the end of the three most recent fiscal years, and showing the Corporation's income and expenses for the three most recent fiscal years.
- f. Tax Rulings - All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- g. Tax Filings - The Corporation's federal, state, and local tax information or income-tax returns for each of the Corporation's three most recent tax years.

#### **10. Fiscal Year**

The fiscal year of the Corporation shall be as determined by the Board of Directors.

#### **11. Robert's Rules**

The meetings of the Corporation's Members, Board of Directors, and Committees shall be governed by the most current version of Robert's Rules.

**12. Relationship of Bylaws to Other Documents**

These Bylaws shall govern THE LAKE PALESTINE MEADOWS PROPERTY OWNERS' ASSOCIATION, INC. The Bylaws are subject to the Certificate of Formation and to the restrictive covenants governing the property described therein. In the event of any conflict between these Bylaws and the Certificate of Formation or the applicable restrictive covenants, the Certificate of Formation or restrictive covenants shall govern.

**13. Conflicts of Interest**

Any Officer, Director, or Member who receives money from the Association for goods or property of any kind, or for services provided to the Association, must fully disclose all relevant circumstances to the Board before consummation of the transaction, and must abstain from any vote which relates to that transaction. These requirements are in addition to any other requirements of law or equity which apply to transactions involving self-dealing or conflicts of interest.

**14. Resale Certificates**

As long as required to do so by the Texas Property Code, the Association shall provide a Resale Certificate to any owner who properly requests one.

**15. Enforcement Actions**

Before filing suit to enforce the restrictive covenants, the Association shall notify the owner at his or her last known address, and allow the owner at least 30 days to cure such violations. Within thirty days after such notification, the owner may request a hearing to address alleged violations, and the Board may conduct the hearing or assign the ACC to do so. These provisions shall not apply to suits to collect assessments or other monetary obligations. These requirements shall apply as long as they are required by the Texas Property Code.

The Association may levy a fine of up to \$200.00 per day for violations of the restrictive covenants, as authorized by the Texas Property Code.

**16. Filing of Bylaws**

Within thirty days of their adoption, the Association shall file these Bylaws and any subsequent amendments thereto with the Anderson County Deed Records.

**ARTICLE XI - CONSTRUCTION**

**1. Pronouns and Headings**

All personal pronouns used in these Bylaws shall include the other gender whether used in masculine or feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate. All headings herein are for convenience only and neither limit nor amplify the provisions of these Bylaws.

**2. Invalid Provisions**


If any one or more of the provisions of these Bylaws, or the applicability of any such

provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any such provision shall not be affected thereby.

**ARTICLE XII - AMENDMENT OF BYLAWS**

Only the Members may amend or repeal these Bylaws, by a majority vote of those Members casting a vote in an election held for that purpose. The Board of Directors or any group of Members constituting at least ten percent of the total number of Members may call a meeting for the purpose of adopting amendments.

Adopted by the Board of Directors on February 24, 2010.

 2-24-10  
Secretary

SEAN P. HEALY, Shareholder  
shealy@healymilnelaw.com  
(903) 592-7566

PATRICIA SIEHL, Associate  
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January 28, 2010

Secretary of State  
Corporate Division  
P.O. Box 13697  
Austin, TX 78711

**RE: The Lake Palestine Meadows Property Owners' Association, Inc.**  
**Certificate of Formation**

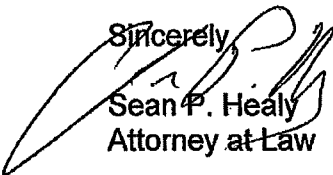
Dear Sir or Madam:

Enclosed please find the original and one copy of the Articles of Incorporation for the above-referenced corporation, along with a check in the amount of \$25.00 to cover your filing costs. This is a nonprofit corporation.

I would appreciate it if you would return the enclosed copy to me after it has been file-stamped, along with your documentation acknowledging that it has been properly filed. I have enclosed a self addressed postage prepaid envelope for your convenience.

Thank you for your assistance in this matter. If you have any questions or comments, then please do not hesitate to contact me.

Sincerely,

  
Sean P. Healy  
Attorney at Law

Encl: original and one copy of Articles of Incorporation  
Check for filing fees: \$25.00  
SASE



**CERTIFICATE OF FORMATION OF  
THE LAKE PALESTINE MEADOWS PROPERTY OWNERS' ASSOCIATION, INC.  
A NONPROFIT CORPORATION**

This certificate of formation is submitted for filing pursuant to the applicable provisions of the Texas Business Organizations Code.

**Article I - Entity Name and Type**

The name and type of filing entity being formed are: The Lake Palestine Meadows Property Owners' Association, Inc., a Texas nonprofit corporation (hereinafter "Corporation").

**Article II - Purpose**

The Corporation is organized for charitable, religious, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), and the Texas Tax Code, Section 11.18. The specific purposes for which the Association is formed are:

- a. To provide for the acquisition, construction, management, maintenance and care of the Association property, including common areas;
- b. To provide for and assist in maintenance, preservation and architectural control of the Subdivision and to promote the health, safety and welfare of the Owners and residents;
- c. To borrow money (if necessary) and to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, encumber, dedicate for public use or otherwise of real or personal property in connection with the affairs of the Association, subject to the terms and provisions of, and limitations and prohibitions within the laws governing non-profit corporations organized in the State of Texas.
- d. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as may be set forth in the Restrictions or the Certificate of Formation, or as may be otherwise prescribed by the Association;
- e. To fix, levy, collect and enforce payment by any lawful means, all obligations owed to the Association, and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including any licenses, taxes or governmental charges which may be levied or imposed against the common areas or any other property owned by the Association; and
- f. Insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the Owners and residents of the Subdivision.

### **Article III - Restrictions and Limitations**

Notwithstanding the foregoing or anything to the contrary herein, the Corporation may not:

- A. Engage in any activity or take any action prohibited by the applicable provisions of the Texas Business Organizations Code.
- B. Pay any dividend or distribute any part of the income of the Corporation to its members, if any, directors, if any, or officers. However, the Corporation may pay compensation in a reasonable amount to its members, directors, or officers for services rendered, may confer benefits upon its members in conformity with its purposes, provided such compensation and benefits are reasonable.
- C. Make loans to the Corporation's directors.
- D. Engage in any activities, except to an insubstantial degree, that are not in furtherance of the purpose or purposes of the Corporation.
- E. Conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and its regulations, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and regulations.
- F. Serve any private interest except if clearly incidental to the public benefit provided by the Corporation.
- G. Allow any of the Corporation's net earning to inure to the benefit of the members, if any of the Corporation, or any private individual.
- H. Engage in more than an insubstantial degree in the carrying on of propaganda, or otherwise attempting, to influence legislation, and the Corporation shall not directly or indirectly participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office, except as allowed by Internal Revenue Code and its regulations.
- I. Make distributions at such time and in such manner as to subject it to tax under Section 4942 of the Code.
- J. Engage in any act of self-dealing which would be subject to tax under Section 4941 of the Code.
- K. Retain any excess business holdings which would subject it to tax under Section 4943 of the Code.
- L. Make any investments which would subject it to tax under Section 4944 of the Code.
- M. Make any taxable expenditures which would subject it to tax under Section 4945 of the Code.

#### **Article IV - Registered Office and Registered Agent**

The initial registered agent is an individual resident of the state whose name is GREGG DEEMER. The business address of the initial registered agent and the initial registered office is: C/O Gregg Deemer, 649 Anderson County Rd 3009, Frankston, Texas 75763.

#### **Article V - Organizer**

The names and addresses of the organizer is:

Sean P. Healy, Attorney at Law  
Healy, Milne & Associates, P.C.  
313 E. Charnwood St.  
Tyler, Texas 75701-1744

#### **Article VI - Governing Authority**

Management of the affairs of the Corporation is to be vested in its board of directors. The number of initial directors shall be five (5). The number of directors shall be set by the bylaws of the Corporation as may be amended from time to time, provided that the number of directors may never be less than three. 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:

<b>Name</b>	<b>Address</b>			
Mike Slover	730 ACR 3009	Frankston	TX	75763
George Garvey	131 Pvt Rd 7009	Frankston	TX	75763
Ed Pohl	120 Pvt Rd 7009	Frankston	TX	75763
Dennis Baker	711 ACR 3009	Frankston	TX	75763
Al Nossett	639 ACR 3009	Frankston	TX	75763

Other than initial directors, directors of the Corporation must also be members of the Corporation. If at any time, a director ceases to be a member, his or her directorship shall at such time become vacant.

#### **Article VII - Organizational Structure**

The Corporation shall have one class of members. To qualify for membership a member must be the record owner of one or more lots in the Subdivision, and a person meeting that qualification shall automatically be considered a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

#### **Article VIII - Voting**

Each member, regardless of the number of lots in the Subdivision owned, shall be entitled to one (1) vote on each matter submitted to a vote of the members, except to the extent that the voting rights of members of any class or classes are limited, enlarged, or denied by the Certificate of Formation or the restrictive covenants.

### **Article IX - Power to Amend Bylaws Reserved by Members**

The power to amend the bylaws is reserved exclusively to the members.

### **Article X - Indemnification**

To the full extent permitted by the applicable provisions of Title 1, Chapter 8 of the Texas Business Organizations Code and other applicable law, the Corporation shall advance or reimburse expenses to and indemnify any present and former directors, officers, employees, and agents of the Corporation and persons serving or formerly serving at the request of the Corporation as directors, officers, partners, venturers, proprietors, trustees, employees, agents or similar functionaries of another foreign or domestic corporation, employee benefit plan, other enterprise or entity against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in such action, suit or proceeding and any inquiry or investigation that could lead to such an action suit or proceeding, because the person is or was acting in one of the capacities set forth above.

### **Article XI - Contracts or Transactions with Interested Directors, Officers and Members**

This provision applies only to a contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and an entity or other organization in which one or more of the Corporation's directors or officers is a managerial official or has a financial interest.

An otherwise valid contract or transaction is valid notwithstanding that a director, officer, or member of the Corporation is present at or participates in the meeting of the board of directors, of a committee of the board, or of the members that authorizes the contract or transaction, or votes or signs, in the person's capacity as a director or committee member, a unanimous written consent of directors or committee members to authorize the contract or transaction, if: (1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by (a) the Corporation's board of directors, a committee of the board of directors, or the members, and the board, the committee, or the members in good faith and with ordinary care authorize the contract or transaction by the approval of the majority of the disinterested directors, committee members or members, regardless of whether the disinterested directors, committee members or members constitute a quorum; or (b) the members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the members; or (2) the contract or transaction is fair to the Corporation when the contract or transaction is authorized, approved, or ratified by the board of directors, a committee of the board of directors, or the members. Common or interested directors or members of a Corporation may be included in determining the presence of a quorum at a meeting of the board, a committee of the board, or members that authorizes the contract or transaction.

### **Article XII - Distribution of Assets Upon Winding Up**

After all liabilities and obligations of the Corporation in the process of winding up are paid, satisfied and discharged, the property of the Corporation shall be applied and distributed in accordance with section 22.304, Texas Business Organizations Code.

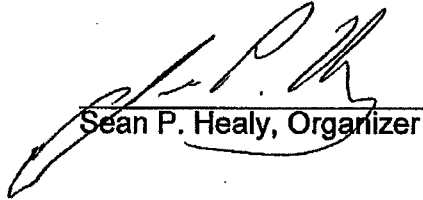
**Article XIII - Effective Date of Filing**

This certificate of formation becomes effective when the document is filed by the secretary of state.

**Article XIV - Execution**

This document is signed subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: January 28, 2010

  
\_\_\_\_\_  
Sean P. Healy, Organizer

OFFICIAL PUBLIC RECORDS

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AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF THE MEADOWS, PHASE 1, A SUBDIVISION IN ANDERSON COUNTY, TEXAS 56035

THE STATE OF TEXAS \*  
COUNTY OF ANDERSON \*

WHEREAS, GARY E. BABICH, as Developer-Owner, filed certain covenants, conditions, and restrictions of record in Volume 993, Page 528, Deed Records, Anderson County, Texas, which covenants, conditions, and restrictions affect lots located in The Meadows, Phase 1, which subdivision is also known as The Meadows Sec. No. 1, as the Plat of said subdivision appears of record in Map Envelope No. 183-B Map Records, Anderson County, Texas, and;

WHEREAS, prior to the sale of any lot in said subdivision, the Developer of said subdivision desires to amend said covenants, conditions, and restrictions;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the Declaration of Covenants, Conditions, and Restrictions of The Meadows, Phase 1, a subdivision in Anderson County, Texas, as same appears of record in Volume 993, Page 528, Deed Records, Anderson County, Texas, are hereby amended as follows:

1. LAND USE AND BUILDING TYPE:

No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height.

2. ARCHITECTURAL CONTROL:

No building shall be erected, placed, or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Developer-Owner as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed, or altered on any lot unless similarly approved. Approval shall be as provided in the paragraph entitled Architectural Controller. In any event no fence shall be located nearer to the front lot line than the minimum building setback line.

3. SIZE OF DWELLINGS:

The ground floor area of the main structure, exclusive of one-story open porches and garages, shall not be less than 1,200 square feet for a one-story dwelling, nor less than 800 square feet for a dwelling of more than one story. The second story of a dwelling of more than one story must contain not less than 400 square feet.

Mrs. Susan Kemp  
1228 Luann Ln.  
Tyler, TX 75703

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**4. BUILDING LOCATION:**

No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. In any event no building shall be located on any lot nearer than 25 feet to the front lot line, or nearer than 20 feet to any side street line. No building shall be located nearer than 15 feet to an interior lot line. No dwelling shall be located on any lot nearer than 25 feet to the rear lot line. For the purposes of this covenant, eaves, steps, and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. Provided, however, subject to Paragraph 5 hereof, any person owning two or more contiguous lots may locate a residence on such lots without reference to the interior lot line of such lots, but not in violation of these Restrictions as to distances from the outside lines of the lots so owned.

**5. EASEMENTS:**

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat, and as hereinafter stated in this Paragraph 5. Utility and/or drainage easements are hereby reserved as follows:

- (A) Fifteen (15) feet in width across the front of each lot or along any side street.
- (B) Ten (10) feet in width across the rear of each lot.
- (C) Five (5) feet in width along each interior lot line.

But provided, however, the owner of two or more contiguous lots may, subject to approval of the Architectural Controller and if such easement areas are not, at that time, being used for utilities and/or drainage purposes, locate residences on such lots without reference to the easements along the interior lot lines of such lots, but not in violation of these Restrictions as to easements along the outside lines of the lots so owned.

**6. NUISANCES:**

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

**7. TEMPORARY STRUCTURES:**

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

**8. CONSTRUCTION STANDARDS:**

All structures constructed in the subdivision shall be made of new material and constructed in a good and workmanlike manner. Unless specifically waived by the Architectural Controller, at least

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twenty-five percent (25%) of the exterior walls of any residence must be of masonry construction. All structures must be completed within eight (8) months of the commencement of construction. For purposes of this paragraph, commencement of construction shall mean the date the plans and specifications are approved by the Architectural Controller or the date work first commences, whichever is earlier. All contractors performing work in the subdivision must be approved by the Architectural Controller which approval will not be unreasonably withheld.

**9. ENFORCEMENT:**

The enforcement of these Restrictions shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant to compel compliance with or to restrain violation of these Restrictions, and/or to recover damages. Developer does not, and shall not, have any obligation to institute or participate in any legal actions to enforce these Restrictions. The participation by Developer in any enforcement proceedings shall be solely at the discretion of Developer, and Developer is not making any warranty or representation that they will or will not enforce or join in enforcement of these Restrictions. In the event that suit is filed to enforce the terms of these Restrictions, the prevailing party in such suit shall be entitled to recover reasonable attorney's fees.

**10. SEVERABILITY:**

Invalidation of any one of these covenants by judgment or Court Order shall in no wise affect any of the other provisions which shall remain in full force and effect.

**11. SIGNS:**

No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

Except for signs used by the Developer, no billboard, sign boards, or advertising displays of any kind, including for sale signs, shall be installed, maintained or permitted to remain on any residential lot.

**12. OIL AND MINING OPERATIONS:**

Subject to the rights of the mineral estate owner, no oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any lot.

**13. LIVESTOCK AND POULTRY:**

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot less than 3 acres, except that dogs, cats, or other household pets may be kept provided that they are not kept,



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bred, or maintained for any commercial purposes.

**14. GARBAGE AND REFUSE DISPOSAL:**

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

**15. WATER SUPPLY:**

No individual water supply system shall be permitted on any lot.

**16. SEWAGE DISPOSAL:**

Sewage disposal shall be by individual septic systems which septic systems must comply with all applicable rules and regulations.

**17. RESUBDIVISION:**

None of the lots in the subdivision shall be resubdivided in any fashion.

**18. MAINTENANCE OF LOTS:**

All lots shall be kept in a neat and orderly condition. Should any lot owner fail to do so, the Developer or the Property Owners Association (hereinafter provided for) shall have the right, but not the obligation, to mow or clean the lot with the cost of such work charged to the lot owner. To secure the payment of such cost, there is hereby created a lien against such lot which lien, to be enforced against any subsequent purchaser, must be evidenced by an instrument in writing filed of record with the County Clerk of Anderson County, Texas, setting out the amount of such charges. Upon payment of such charges, lot owners shall be entitled to a release showing that payment has been made.

**19. ARCHITECTURAL CONTROLLER:**

19.1 The Architectural Controller is Gary E. Babich. Controller may designate a representative to act for him. Neither the Controller nor his designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

19.2 The Controller may waive, in writing, compliance with these Restrictions as may be necessary in individual instances as may be necessary in order to prevent hardship and to promote the development of this subdivision, but in so doing, the Controller shall endeavor to adhere as closely as possible to the spirit and intent of such paragraphs and these Restrictions.

**20. FIREARMS:**

Firearms shall not be used or displayed in any irresponsible or dangerous manner, nor shall firearms be discharged within the subdivision.

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*§ done at his trial*

**21. PROPERTY OWNERS ASSOCIATION:**

At the election of Developer-Owner, the Developer-Owner may form The Meadows Property Owners Association. If formed, each lot owner in the subdivision shall be a member and the Property Owners Association shall be administered in accordance with the following provisions, to-wit:

21.1 The Meadows Improvement Committee shall be the administrative and governing body for the conduct of business of The Meadows Improvement Association. The Meadows Improvement Committee shall be composed initially of Gary E. Babich, Developer-Owner.

21.2 The Improvement Committee shall have the following powers and functions:

(a) Establish and adjust the fee schedule for membership in the Association and use of facilities.

(b) Collect and expend in the interest of the Association as a whole the fees or funds collected from the membership according to its best judgment.

(c) Establish such Bylaws, rules, and regulations as may be necessary or desirable in the performance of its duties and functions.

(d) Enforce the covenants and restrictions by appropriate proceedings, but this power shall not be exclusive and may also be exercised by any property owner in the subdivision.

21.3 The Meadows Improvement Association may hereafter, by action of the Committee, perform any or all of the following functions:

(a) Purchase, lease, or own real estate for any common purpose such as recreational use, utilities systems and operations, fire and police protection and similar uses

(b) Own, operate, and maintain equipment for recreational, sanitational, civic or community purposes.

(c) Employ personnel for the care and operation of any such common facilities for which Association funds are used, whether or not such facilities are owned by the Association.

(d) Incorporate the Association under the laws of the State of Texas as a nonprofit corporation.

(e) Maintain streets and common areas in the Subdivision.

(f) Provide such other services as may be necessary or desirable.

21.4 The Developer-Owner, his heirs, administrators, successors and assigns, or the Property Owners Association, shall have the right to operate legitimate recreational facilities upon the

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areas designated on the plat as "Common Areas" or upon any lot or lots on the plat of said Subdivision, and shall have the right to construct and operate any and all facilities in connection therewith, such as, but not limited to, boat ramps and parking areas and other types of recreational facilities. All such facilities constructed by Developer shall be operated and maintained by The Meadows Property Owners Association.

21.5 Dues and fees assessed by The Meadows Property Owners Association shall be made on the basis of a charge for each lot or dwelling. To secure payment of such dues and fees, a lien is hereby created against the property of the individual member of the Property Owners Association, and if not paid, the Property Owners Association or the Developer may file of record an instrument in writing with the County Clerk of Anderson County, Texas, setting forth the amount of such unpaid dues and/or fees. Upon the payment of the amount due, the property owner shall be entitled to a release stating that such dues, fees, and assessments have been paid.

21.6 Although the Developer and/or the Improvement Association have the right to carry out the above functions, there are no warranties or representations that such services or amenities will be provided by the Developer or the Property Owners Association.

## 22. ADDITIONAL LAND:

The Developer may subject additional land to these Restrictions and if additional land is subjected to the covenants, conditions and restrictions contained herein, the owners of lots contained within such additional land shall also be bound by the terms and conditions hereof. All lots originally subjected to these Restrictions and any additional lots made subject hereto shall be counted when determining whether a certain percentage of the owners have joined in or agreed to any changes in these Restrictions.

## 23. RESALE:

No owner of a lot in the subdivision shall sell, quitclaim, or convey such lot without first offering, in writing, to sell, quitclaim, or convey such lot to Developer on terms and conditions controlling such proposed sale, quitclaim, or conveyance, provided that Developer shall be entitled to 20-days written notice of the terms and conditions of such sale, quitclaim, or conveyance. If during such period, Developer shall notify such transferee of its intention to exercise its right to accept such offer, such lot shall be forthwith conveyed to Developer on the terms and conditions of such offer. This provision shall not be applicable to gifts among family members nor shall it be construed that this paragraph has any effect on foreclosures, deeds in lieu of foreclosure, probate of Wills or intestate succession. However, any party becoming an owner of a lot in the subdivision due to foreclosure, a deed in lieu of foreclosure, probate of a Will or intestate succession shall be bound by the terms hereof.

## 24. OUTSIDE LINES, ANTENNAS, AND SMALLER STRUCTURES:

Outside clotheslines, carports, patio covers, freestanding basketball boards, and other similar structures shall not be allowed

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unless approved by the Architectural Controller. Outside aerials and antenna shall not be allowed unless approved in writing by the Developer.

25. TEMPORARY OFFICE:

Notwithstanding anything to the contrary contained herein, Developer reserves the right to use any unsold lot or lots for a temporary office location, for storage and use of construction equipment and materials and to place a sign or signs on any unsold lot in the subdivision.

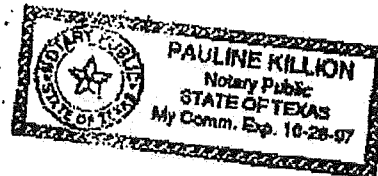
*Gary E. Babich / Sheila Smith*  
GARY E. BABICH *attorney in fact*

STATE OF TEXAS §

COUNTY OF ANDERSON §

This instrument was acknowledged before me on the  
22 day of June, 1994 by Gary E. Babich /  
Sheila Smith.

*Pauline Killion*  
Notary Public



FILED FOR RECORD  
at 1:15 o'clock P. M.

JUN 22 1994

JO HUDDLESTON  
County Clerk Anderson County TX  
By *[Signature]* Deputy

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AMMENDED DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS OF  
THE MEADOWS, PHASE 1, A SUBDIVISION IN  
ANDERSON COUNTY, TEXAS

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THE STATE OF TEXAS

COUNTY OF ANDERSON

WHEREAS, THE LAKE PALESTINE MEADOWS PROPERTY OWNERS ASSOCIATION, INC, hereinafter called the POA filed certain amendment of declaration of covenants, conditions, and restrictions of record in Volume 2215, Page 02192, Deed Records, Anderson County, Texas, which covenants, conditions, and restrictions affect lots located in The Meadows, Phase 1, which subdivision is also known as The Meadows Sec. No.1, as the Plat of said subdivision appears of record in Map Envelope No. 183-B Map Records, Anderson County, Texas, and;

WHEREAS, on the 22<sup>nd</sup> of January, 2011, THE MEMBERS OF THE POA have voted upon and duly passed by more than two-thirds majority of voting member proposals to amend certain portions of the covenants, conditions and restrictions of The Meadows, Phase 1, a subdivision in Anderson, County, Texas, and;

WHEREAS, in order to conserve funds that would be required for the recordation of each and every ballot, a summary of the vote along with the tally for all property owners Member numbers, and their names is hereby attached;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the Amendment of Declarations of Covenants, Conditions, and Restrictions of The Meadows, Phase 1, a Subdivision in Anderson, County, Texas, as same appears of record in Volume 2215, page 0219, Deed Records, Anderson County, Texas, are hereby amended as follows:

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1. **LAND USE AND BUILDING TYPE:**

No lot shall be used except for residential purposes. No occupied building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height.

2. **ARCHITECTURAL CONTROL:**

No building, fence, or pool shall be erected, placed, or altered on any lot until the construction plans with specifications and a plan showing the location of the structure have been submitted to and approved by the Architectural Control Committee, hereinafter called the ACC, as to the quality of workmanship and materials, harmony of exterior design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed, or altered on any lot unless similarly approved. Approval shall be as provided in the paragraph entitled Architectural Control. In any event no fence shall be located nearer to the front lot line than the minimum building setback line.

3. **SIZE OF DWELLINGS AND BUILDINGS:**

3.1 Dwelling

The ground floor area of the main structure, exclusive of one-story open porches and garages, shall not be less than 1,600 square feet for a one-story dwelling. Two-story dwellings shall have a ground floor of not less than 1,400 square feet. The second floor must be at least 200 square feet of living area.

3.2 Garage and Driveway

Each dwelling shall have a two-car garage, either attached or detached, with operable doors and a paved concrete or asphalt driveway from the street to the garage.

3.3 Storage and Outbuildings

Outbuildings must be constructed of new material and blend with the architectural appearance of the dwelling. The outbuilding is to be single story and not exceed 400 square feet and have an operable door. All outbuildings are subject to ARTICLE 4 BUILDING LOCATION. Outbuildings on private land must be approved by the ACC. Buildings below elevation 355 (Lake Authority property) must be movable and approved by the Upper Neches River Authority. (It is the responsibility of the property owner to seek and obtain this approval.)

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4. BUILDING LOCATION:

No building shall be located on any lot nearer the front lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. In any event no building shall be located on any lot nearer than 25 feet to the front lot line, or nearer than 20 feet to any side street. No building shall be located on any lot nearer than 15 feet to an interior lot line. No dwelling shall be located nearer than 25 feet to the rear lot line. For purposes of this covenant, eaves, steps, and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. Provided, however, subject of Paragraph 5 hereof, any person owning two or more contiguous lots may locate a residence on such lots without reference to the interior lot line of such lots, but not in violation of these Restrictions as to distances from the outside lines of the lots so owned.

5. EASEMENTS:

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat, and as hereinafter stated in this Paragraph 5. Utilities and/or drainage easements are hereby reserved as follows:

- (A) Fifteen (15) feet in width across the front of each lot or along any side street.
- (B) Ten (10) feet in width across the rear of each lot.
- (C) Five (5) feet in width along each interior lot line.

But provided, however, the owner of two or more contiguous lots may, subject to approval of the ACC, and if such easement areas are not, at that time, being used for utilities and/or drainage purposes, locate residences on such lots without reference to the easements along the interior lot lines of such lots, but not in violation of these Restrictions as to easements along outside lines of the lots owned.

6. NUISANCES:

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

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7. **TEMPORARY STRUCTURES:**

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

8. **CONSTRUCTION STANDARDS:**

All structures constructed in the subdivision shall be made of new material and constructed in a good and workmanlike manner. Unless specifically waived by the ACC, at least twenty-five percent (25%) of the exterior walls, minus windows and doors, of any residence must be of masonry material, such as stone or brick. Cement board (i.e., Hardie board and the like) is considered a wood substitute and not accepted as masonry. All structures must be completed within eight (8) months of commencement of construction. For purposes of this paragraph, commencement of construction shall mean the date the plans and specifications are approved by the ACC, or the date the work first commences, whichever is earlier. All contractors performing work in the subdivision must be approved by the ACC which approval will not be unreasonably withheld.

**8.1 FENCES**

Fences are subject to approval of the ACC. The ACC encourages the open concept of the community and would like to maintain it wherever possible. Fencing for animal control or pool safety may be allowed under the following guidelines which are subject to revision. Pool fences must meet State of Texas safety code at all times. Fences are to be made of long lasting material such as aluminum, vinyl, wood or wrought iron. Fences must be maintained in good order and appearance. Wooden fences must be stained or sealed and may not be painted. Chain link fencing is not allowed. Any portion of the fence which faces a street or common area must show the finish side toward that street or common area.

**8.1.1 Lake Lot Fencing**

Pool safety and animal control fencing only. Fencing may not exceed four feet in height and must be maintained in good order and appearance. Fences are to be of see through material, such as, aluminum or wrought iron.

**8.1.2 Interior Lot Fencing**

Pool safety and animal control fencing may not exceed four feet in height and must be maintained in good order and appearance. Fences are to be of see through material.



**8.1.3 Privacy Fencing**

Privacy fencing will only be approved in areas where the view of the lake from any other lot or common area will not be encumbered. Privacy fencing may not exceed six feet in height.

**9. ENFORCEMENT:**

The enforcement of these Restrictions shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant to compel compliance with or to restrain violation of these Restrictions, and/or to recover damages. The POA does not, and shall not, have any obligation to institute or participate in any legal actions to enforce these restrictions. The participation by the POA in any enforcement proceedings shall be solely at the discretion of the POA, and the POA is not making any warranty or representation that it will or will not enforce or join in enforcement of these Restrictions. In the event that suit is filed to enforce the terms of these Restrictions, the prevailing party in such suit shall be entitled to recover reasonable attorney's fees.

**10. SEVERABILITY:**

Invalidation of any one of these covenants by judgment or Court Order shall in no wise affect any of the other provisions which shall remain in full force and effect.

**11. SIGNS:**

No signs of any kind shall be displayed to the public view on any lot except for one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by the builder to advertise the property during the construction and sales period.

Except of signs used by the POA, no billboard, sign boards, or advertisement displays of any kind, including for sale signs, shall not be installed, maintained or permitted to remain on any residential lot.

**12. OIL AND MINING OPERATIONS:**

Subject to the rights of the mineral estate owner, no oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any lot.

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13. **LIVESTOCK AND POULTRY:**

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot less than 3 acres, except that dogs, cats, or other household pets may be kept provided they are not kept, bred, or maintained for any commercial purposes.

14. **GARBAGE AND REFUSE DISPOSAL:**

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for storage and disposal of such material shall be kept in a clean and sanitary condition.

15. **WATER SUPPLY:**

No individual water supply system shall be permitted on any lot.

16. **SEWAGE DISPOSAL:**

Sewage disposal shall be by individual septic systems which septic systems must comply with all applicable rules and regulations.

17. **RESUBDIVISION:**

None of the lots in the subdivision shall be re-subdivided in any fashion.

18. **MAINTENANCE OF LOTS:**

All lots shall be kept in a neat and orderly condition. Should any lot owner fail to do so, the POA shall have the right, but not the obligation, to mow or clean the lot with the cost of such work charged to the lot owner. To secure the payment of such cost, there is hereby created a lien against such lot which lien, to be enforced against any subsequent purchaser must be evidenced by an instrument in writing filed of record with the County Clerk of Anderson County, Texas, setting out the amount of such charges. Upon payment of such charges, lot owners shall be entitled to a release showing that payment has been made.

19. **ARCHITECTURAL CONTROL:**

19.1 **Appointment of the Architectural Control Committee**

The Architectural Control Committee (ACC), as appointed by the President of the POA, shall be a standing committee and shall provide Architectural Control for the subdivision. The ACC shall provide the Board, upon reasonable investigation, a report of its findings concerning matters pertaining to architectural control. No member of the ACC will be

entitled to compensation for services performed pursuant to this covenant.

**19.2 Compliance with Restrictions**

The ACC, upon direction of the Board, may waive, in writing, compliance with these Restrictions as may be necessary in individual instances in order to prevent hardship and to promote the development of this Subdivision, but in so doing, the ACC shall endeavor to adhere as closely as possible to the spirit and intent of such paragraphs and these Restrictions.

**20. FIREARMS:**

Firearms shall not be used or displayed in any irresponsible or dangerous manner, nor shall firearms be discharged within the subdivision.

**21. PROPERTY OWNERS ASSOCIATION:**

- 21.1. The Lake Palestine Property Owners' Association, Inc. (POA) shall be the administrative and governing body for the conduct of business for the Subdivision.
- 21.2. Each property owner in the Subdivision has a single membership in the POA.
- 21.3. The business and affairs of the POA shall be managed by the Board of Directors.
- 21.4. The Board of Directors shall have the following powers and functions:
  - 21.4.1. Establish and adjust the fee schedule for membership in the POA and use of facilities
  - 21.4.2. Collect and expend in the interest of the POA as a whole the fees or funds collected from the membership according to its best judgment.
  - 21.4.3. Establish such Bylaws, rules, and restrictions by appropriate proceedings, as may be necessary or desirable in the performance of its duties and functions.
  - 21.4.4. Enforce the covenants and restrictions by appropriate proceedings, but this power shall not be exclusive and may also be exercised by any property owner in the Subdivision.

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PLANNING BOARD

- 21.4.5. Appoint committees, e.g. the ACC, as is necessary to assist in performing its duties. Such committees shall submit findings to the Board for final determination on these matters. The Board and or its committees have the authority to postpone any final determinations until such time as adequate information has been submitted by the property owner.
- 21.5. The POA may hereinafter, by action of the Committees, perform any or all of the following functions:
  - 21.5.1. Purchase, lease, or own real estate for any common purpose such as recreational use, utilities systems and operation, fire and police protection and similar uses.
  - 21.5.2. Own, Operate and maintain equipment for recreational, sanitation, civic or community purposes.
  - 21.5.3. Employ personnel for the care and operation of such common facilities for which the POA funds are used, whether or not such facilities are owned by the POA.
  - 21.5.4. Incorporate the POA under the laws of the State of Texas as a nonprofit corporation.
  - 21.5.5. Maintain street and common areas in the Subdivision.
  - 21.5.6. Provide such other services as may be necessary or desirable.
- 21.6. The POA shall have the right to operate legitimate recreational facilities upon the areas designated on the plat as "Common Areas" or upon any lot or lots on the plat of said Subdivision, and shall have the right to construct and operate any and all facilities in connection therewith, such as, but not limited to, boat ramps and parking areas and other types of recreational facilities. All such facilities constructed by the POA shall be operated and maintained by the POA.
- 21.7. Dues and fees assessed by the POA shall be made on the basis of a charge for each membership and a separate charge for each dwelling. To secure payment of such dues and fees, a lien is hereby created against the property of the individual member of the POA, and if not paid, the POA may file of record an instrument in writing with the County Clerk of Anderson County, Texas, setting forth the amount of such unpaid dues and/ or fees. Upon the payment of the amount due, the property owner shall be entitled to a release stating that such dues, fees, and assessments have been paid.

21.8. Although the POA has the right to carry out the above functions, there are no warranties or representations that such services of amenities will be provided by the POA.

22. ADDITIONAL LAND:

The POA may subject additional land to these Restrictions and if additional land is subjected to the covenants, conditions and restrictions contained herein, the owners of lots contained within such additional land shall also be bound by these Restrictions and any additional lots made subject hereto shall be counted as described in paragraph 21 when determining whether certain percentage of the owners have joined in or agreed to any changes in these Restrictions.

23. OUTSIDE BUILDINGS, LANDSCAPING, EXTERIOR PAINTING, ADDITIONS AND SMALLER STRUCTURES:

Outside buildings, landscaping, exterior painting colors, additions, such as patios and carports, and smaller structures, such as basketball goals, clothes lines, etc. shall not be installed until approved by the ACC. Plans for such shall be submitted in writing at least thirty (30) days prior to commencement of construction. Outside buildings must be constructed, or manufactured, from new materials and blend with the general architectural appearance of the dwelling. All outbuildings, structures, etc. must fall within the easement requirements of Article 5, above.

24. COMMERCIAL OPERATIONS:

No commercial operations or businesses, other than strictly in the home businesses, shall be allowed within the Subdivision, and no storage of commercial equipment or materials shall be allowed on any property within the Subdivision.

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Signed for the Lake Palestine Property Owners' Association, Inc.

Richard Watson

Richard Watson, President

3-10-2011

Date

STATE OF TEXAS \*

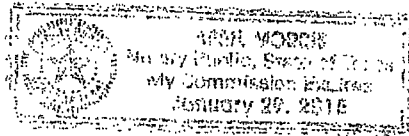
COUNTY OF ANDERSON \*

This instrument was acknowledged before me on the

10<sup>th</sup> Day of March, 2011 by Richard Watson

April Morris  
Notary Public

Return to: Teri Garvey  
P.O. Box 664  
Fritch, TX 75763



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