

BYLAWS OF

LOWE'S FARM
HOMEOWNERS ASSOCIATION, INC.

A TEXAS NON-PROFIT CORPORATION

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BYLAWS OF
LOWE'S FARM
HOMEOWNERS ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is LOWE'S FARM HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 5950 Berkshire Lane, Suite 850, Dallas, Texas 75225, but meetings of Members and Directors may be held at such places within the State of Texas, County of Dallas or Tarrant, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The following words when used in these Bylaws, unless a different meaning or intent clearly appears from the context, shall have the following meanings:

"Assessment" or "Assessments" shall mean assessment(s), both regular annual assessments and special assessments, levied by the Association under the Declaration.

"Association" shall mean and refer to LOWE'S FARM HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

"Board" shall mean the Board of Directors of the Association.

"City" shall mean and refer to the City of Mansfield, Tarrant County, Texas.

"Conversion Date" shall mean the date of termination of Declarant's Class B membership, which shall be the earlier to occur of (i) the total outstanding Class A Votes equals or exceeds 1,000 or (ii) December 31, 2010. Declarant may at any time voluntarily elect to terminate its Class B membership by giving written notice of such election to the Board.

"Declarant" shall mean LOWE'S FARM PARTNERS, NO. 1, LTD., a Texas limited partnership, and successors and assigns of its interest as Declarant under the Declaration.

"Declaration" means and refers to that certain Declaration of Covenants, Conditions and Restrictions for Lowe's Farm executed by Declarant and recorded January 23, 2002, as Instrument No. D202022149 of the Deed Records of Tarrant County, Texas, as such Declaration may be amended or supplemented from time to time.

"Lot" shall mean and refer to any portion of the Property shown as a subdivided residential lot on a Plat; provided, however, with respect to any unplatted portion of the Property, a Lot shall mean a residential lot as shown on the Concept Plat attached to the Declaration as an Exhibit.

"Member" means each Owner and the Declarant.

"Owner" shall mean and refer to the record owner, including sellers pursuant to executory contracts for conveyance and whether one or more persons or entities, of fee simple title to any Lot, but excluding those persons or entities having such interest merely as security for the performance of an obligation.

"Plat" shall mean a subdivision plat or plats of any portion of the Property now or hereafter filed for record in the Map or Plat Records of Tarrant County, Texas, as such plat or plats may be amended from time to time.

"Property" shall mean and refer to any and all property which is or becomes subject to the terms of the Declaration.

"Restrictions" shall mean the covenants, conditions and restrictions contained in the Declaration, the Articles, these Bylaws, any rules and regulations promulgated by the Association pursuant to the Declaration and any rules, regulations, guidelines or procedures promulgated by the Architectural Committee (as defined in the Declaration), as any of the foregoing may be adopted and amended from time to time.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. An annual meeting of the Members shall be held each calendar year on such date and at such time as shall be designated from time to time by the Board. The first annual meeting of the Members shall be held within one year after the date of incorporation of the Association. At each annual meeting, the Members shall elect Directors and transact such other business as may properly be brought before the meeting. The meeting shall be held at the place and hour designated by the Board in the notice of meeting.

Section 2. Special Meeting. Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership. Only such business shall be transacted at a special meeting of Members as may be stated or indicated in the notice of such meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to

the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting; and, in the case of a special meeting, the purpose of the meeting. When a meeting of the Members is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than thirty (30) days, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by adjournment at the meeting at which the adjournment is taken.

Section 4. Quorum. Members holding one-tenth (1/10) of the votes of each class of membership entitled to be cast at a meeting of Members, represented in person or by proxy, shall constitute a quorum for any action to be taken at such meeting. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. At such adjourned meeting at which the requisite amount of votes shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The vote of the holders of a majority of the votes entitled to be cast and thus represented at a meeting at which a quorum is present shall be required to constitute the act of the Members, unless the vote of a greater number is required by law, the Articles of Incorporation, these Bylaws or the Declaration.

Section 5. Voting and Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and signed by the Member or his or her duly authorized attorney in fact and shall bear a date not more than eleven (11) months prior to any such meeting, unless the proxy provides that it is to be valid for a period in excess of eleven (11) months. 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. A proxy granted by any Member shall automatically cease as to any Lot conveyed by such Member to another person. At any election of Directors, every Member entitled to vote at such election shall have the right to vote, in person or by proxy, the number of votes allocated to such Member for as many persons as there are Directors to be elected and for whose election he or she has a right to vote. Members are expressly prohibited from cumulating their votes in any election for Directors of the corporation.

Section 6. Membership in the Association. The Declarant and every Owner shall be a Member of the Association; provided, after the Conversion Date, the Declarant shall be a Member only if and to the extent that it is also an Owner. Membership shall be appurtenant to, and shall not be separated from, ownership of a Lot, but no person or entity shall be a Member merely by having an interest in a Lot as security for the performance of an obligation.

Section 7. Voting Rights. The right to cast votes and the number of votes which may be cast for election of members of the Board and on all other matters to be voted on by the Members shall be determined as follows:

- (a) The Association shall have two (2) classes of voting membership, Class A and Class B.

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- (b) Each Owner of a Lot (including the Declarant with respect to any Lots owned by Declarant) shall automatically and mandatorily be a Class A Member. Each Owner of a Lot shall be entitled to one (1) vote for each Lot so owned. When more than one Person owns the fee simple interest in any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised as such Persons among themselves determine and so advise the Secretary of the Association prior to the vote, but in no event shall the vote for such Lot exceed the total vote to which such Lot is otherwise entitled under this Section 7.
- (c) The sole Class B Member shall be Declarant. In addition to the votes, if any, to which Declarant may be entitled as a Class A Member, the Class B Member shall be entitled to 1,000 votes.
- (d) The right of any Owner to vote may be suspended by the Board, for any period during which any Assessment against such Owner's Lot remains past due and for any period during which such Owner or such Owner's Lot is in violation of the Restrictions.
- (e) Members are expressly prohibited from cumulating their votes in any election for members of the Board. Prior to submitting any matter for a vote of the Members, the Board shall determine the total number of votes outstanding and the Members entitled to vote.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be Members of the Association.

Section 2. Term of Office. Each Director shall be elected for a term of three (3) years. Each Director shall hold office for the term for which he or she is elected and until his or her successor shall be elected and qualified unless sooner removed as provided in these Bylaws.

Section 3. Removal; Vacancies. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at any meeting of the Members duly called and held. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. Any Director may, however, be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Annual Meetings. The annual meeting of the Board shall be held, without further notice, immediately following the annual meeting of Members, and at the same place or at such other time and place as shall be fixed with the consent in writing of all Directors.

Section 6. Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 7. Special Meetings. Special meetings of the Board shall be held when called by the President, or by any Director, after not less than three (3) days notice to each Director.

Section 8. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly called and held at which a quorum is present shall be regarded as the act of the Board.

Section 9. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 10. Powers of Board of Directors. In addition to the powers and authority expressly conferred by these Bylaws upon them, the Board may exercise all such powers, duties and authority vested in or delegated to the Association by law, the Articles of Incorporation or the Declaration and do all other lawful acts and things, except to the extent that any of the foregoing are directed or required by law, the Articles of Incorporation, the Declaration or these Bylaws to be exercised or done by the Members.

Section 11. Committees. The Board may designate one or more committees, which, to the extent provided in the resolution establishing such committee, shall have and exercise the authority of the Board in the management of the corporation. Each such committee shall consist of two or more persons, a majority of whom are Directors; the remainder need not be Directors. The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law. Any non-director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Director who is a member thereof. Other committees not having and exercising the authority of the Board in the management of the corporation may be designated and appointed by the Board. Membership on such committees may, but need not be, limited to Directors.

ARTICLE V OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice President, who shall at all times be Members of the Board, a Secretary and a

Treasurer and such other officers as the Board may from time to time designate. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election of Officers; Term. The officers of the corporation shall be chosen annually by the Board at its annual meeting or as soon after such annual meeting as practicable. Each officer shall hold office until his or her successor is chosen and qualified, or until his or her death or until he or she shall have resigned or shall have been removed.

Section 3. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5. Duties. All officers and agents of the corporation, as between themselves and the corporation, shall have such authority, perform such duties and manage the corporation as provided in these Bylaws or as may be determined by resolution of the Board not inconsistent with these Bylaws. Without limiting the generality of the foregoing, the following officers shall have the duties provided below:

President

The President shall be the executive manager of the operation of the corporation and shall preside at all meetings of the Board.

Vice President

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

The Secretary shall record the vote and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses and shall perform such other duties as required by the Board.

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; keep proper books of account; and shall perform such other duties as required by the Board.

ARTICLE VI INDEMNIFICATION

The corporation shall indemnify any person who was, is or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person is or was a Director or officer of the corporation to the fullest extent that a corporation may grant indemnification to a person serving in such capacity under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. Such right shall be a contract right and shall include the right to be paid by the corporation for all expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the corporation within ninety (90) days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the Texas Non-Profit Corporation Act, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board or any committee thereof, special legal counsel or Members) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the corporation (including its Board or any committee thereof, special legal counsel or Members) that such indemnification or advancement is not permissible, shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. The corporation shall additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. As used herein, the term "proceeding" means a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative 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. The corporation shall maintain insurance, at its expense, for its benefit in respect of such indemnification and for the benefit of any such person, whether or not the corporation would otherwise have the power to indemnify such person to the extent provided in the Declaration.

ARTICLE VII BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board and committees having any authority of

the Board and shall keep at its registered or principal office in the State of Texas a record of the names and addresses of its Members entitled to vote. A Member, on written demand stating the purpose of the demand, shall have 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 the stated purpose, at the expense of the Member.

ARTICLE VIII CORPORATE SEAL

The Association shall not have a seal.

ARTICLE IX AMENDMENTS

The power to alter, amend or repeal these Bylaws shall be vested in the Board.

ARTICLE X MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Conflicting Provisions. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Invalid Provisions. If any part of these provisions shall be held invalid or inoperative for any reason, the remaining parts, so far as possible and reasonable, shall be valid and operative.

Section 4. Headings. The headings used in these Bylaws have been inserted for convenience only and shall not be given effect in construing the meaning of any provision.

Section 5. Resale Certificates. The Association shall comply, or shall cause its managing agent, if any, to comply, with any properly submitted request for information under Section 207.003(a) of the Texas property Code. Neither the Association nor its managing agent shall have any duty to inspect the Property prior to issuing a resale certificate pursuant to any such request, nor shall the Association, or its managing agent, have a duty to update any information provided pursuant to any such request, except in response to a properly submitted further request for updated information. The Association may establish a reasonable fee to assemble, copy and deliver the information requested pursuant to Section 207.003 of the Texas Property Code.

D202033901
WALTER DAMON
5950 BERKSHIRE LN #850
LB 20
DALLAS TX 75225

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ANY PROVISION WHICH RESTRICTS THE SALE RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE
IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.