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Dated: April 21, 2004

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TARRANT COUNTY TEXAS
APR 22 2004
CLERK OF COURTS
SUZANNE HENDERSON
CLERK

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

**SETTLEMENT PLAZA, PHASE III
(Also Known as Settlement Village, Phase III)**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR **SETTLEMENT PLAZA, PHASE III** (this "Declaration") is made on the date hereinafter set forth by **West/Loop 820 Partners**, a Texas general partnership, hereinafter referred to as "Declarant."

WHEREAS, Declarant is the owner of certain real property in the City of Fort Worth (the "City"), Tarrant County, Texas, which is described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property");

WHEREAS, Declarant desires to create a planned community known as **Settlement Plaza, Phase III (also known as Settlement Village, Phase III)** (the "Subdivision") on the Property and such other land as may be added thereto pursuant to the terms and provisions of this Declaration;

WHEREAS, Declarant has deemed it desirable for the enforcement of this Declaration and the efficient preservation and maintenance of any amenities and detention and/or drainage areas in said Subdivision, to create an Association (hereinafter defined) to which shall be delegated and assigned the power of administering and enforcing the assessments, conditions, covenants, easements, reservations and restrictions of this Declaration, including levying, collecting and disbursing the assessments; and

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

NOW THEREFORE, Declarant declares that the Property shall be held, sold and conveyed subject to the restrictions, covenants and conditions declared below, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Property in order to maintain within the Property a planned community of high standards. Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each of the Owners thereof.

ARTICLE I

DEFINITIONS

Section 1. "Property" shall mean and refer to the real property described on Exhibit "A", and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 2. "Association" shall mean and refer to **Settlement Village Residential Association, Inc.**, a Texas non-profit corporation, its successors, assigns or replacements which has jurisdiction over all properties located within the land encumbered by this Declaration, as same may be amended.

Section 3. "Lot" shall mean and refer to any plot of land indicated upon any recorded subdivision map (the "Plat") of the Property or any part thereof creating single-family homesites, with the exception of the Common Areas and areas dedicated in fee to a governmental authority or utility, together with all improvements thereon.

Section 4. "Unit" shall mean and refer to any residential dwelling situated upon any Lot.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to **West/Loop 820 Partners**, a Texas general partnership, its successors and assigns who are designated as such in writing by the Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 7. "Common Areas" shall mean and refer to that portion of the Property, if any, dedicated, or conveyed to the Association by deed or pursuant to the final Plat of the Property (as well as the subdivision plat of any property annexed hereto pursuant to the provisions hereof), or which are otherwise intended to be maintained by the Association by agreement or by the terms of or notations on the final Plat of the Property, for the use and benefit of the Owners, including, without limitation, **Lot A of Block 4 (detention pond)**, together with any common areas hereafter annexed hereto as aforesaid.

Section 8. "Common Maintenance Areas" shall mean and refer to the Common Areas, any Common Area amenities, any entrance monuments (including landscaping and lighting), and the landscaping, if any, in, along and adjacent to the rights of way. Common Maintenance Areas shall not be deemed to include any drainage facilities, rights-of-way (except as described above), landscaping and other areas outside of the Common Areas and lying within dedicated public easements or rights-of-way (except as described above), or as otherwise indicated, which areas shall be maintained by the appropriate governmental authorities.

Section 9. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for **Settlement Plaza, Phase III (Also Known as Settlement Village, Phase III)**, and any amendments, annexations and supplements thereto made in accordance with the terms hereof.

ARTICLE II

HOMEOWNERS ASSOCIATION

Section 1. Membership. The Declarant and every other Owner of a Lot shall be a Member (herein so called) of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. Every Member shall have the right at all reasonable times during business hours to inspect the books of the Association.

Section 2. Funding. Subject to the terms of this Article, Declarant, for each Lot owned by Declarant, hereby covenants to pay, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association as hereinafter set forth: (1) annual assessments or charges, and (2) special assessments for capital improvements, and (3) Special

Member Assessments (as hereinafter defined), as applicable, such Assessments (herein so called) to be established and collected as hereinafter provided. Such Assessments will remain effective for the full term (and extended term, if applicable) of this Declaration. The Assessments, together with interest, costs, collection fees, late fees, reasonable attorney's fees and other charges payable hereunder, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment shall be made (hereinafter referred to as the "Assessment Lien"). Each such Assessment, together with interest, costs, collection fees, late fees, reasonable attorney's fees, and other charges payable hereunder, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due.

Section 3. Assessment.

(a) **Units Owned by Class A Members.** Subject to the terms of this Article, each Lot is hereby subject to an initial maximum maintenance charge of \$170.00 per annum (until such maintenance charge shall be increased by the Board of Directors of the Association (the "Board" or the "Board of Directors") as provided below, but not by more than twenty percent (20%) thereof in any annual period), for the purpose of creating a fund to be designated and known as the "maintenance fund," which maintenance charge and assessment will be paid by the Owner or Owners of each Lot in advance, in monthly, quarterly or annual installments as determined by the Board, commencing as to all Lots on the conveyance of the first Lot to a Class A Member (as defined in Section 7 of this Article II), subject, however, to the provisions set forth below regarding Lots owned by the Class B Member (as defined in Section 7 of this Article II). The rate at which each Lot will be assessed, and whether such assessment shall be payable monthly, quarterly or annually, will be determined by the Board at least thirty (30) days in advance of each affected assessment period. Initially, such assessments shall be paid annually in advance. Said rate may be adjusted from time to time by the Board as the needs of the Association may, in the judgment of the Board, require, subject, however, to the limitation on the increase thereof set forth above. The assessment for each Lot shall be uniform except as provided in Subsection (b) of this Section 3. The Association shall, upon written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

(b) **Units or Lots Owned by Declarant.** Notwithstanding the foregoing, Declarant shall be exempt from the annual maintenance assessments charged to Owners so long as there is a Class B Membership as set forth in Section 7. For such period of time as there is a Class B Membership in effect and Declarant's Lots are exempt from assessment as provided above, and in the event the annual maintenance fund revenues are insufficient to pay the operating expenses of the Association, Declarant may, but shall not be obligated to, provide the funds necessary to make up any such deficit, provided, however, if the deficit is the result of the failure or refusal of an Owner or Owners to pay their annual maintenance assessments, the Association shall diligently pursue all available remedies against such defaulting Owners, including the immediate institution of litigation to recover the unpaid assessments, and shall reimburse the Declarant the amounts, if any, so collected.

(c) **Purpose of Maintenance Fund.** The Association shall establish a maintenance fund of Owner's annual maintenance assessments and shall use the proceeds of such fund in providing for normal, recurring maintenance charges for the Common Maintenance Areas for the use and benefit of all Members of the Association. Such uses and benefits to be provided by the Association may include, by way of clarification and not limitation, any and all of the following: normal, recurring maintenance of the Common Maintenance Areas (including, but not limited to, mowing, edging,

watering, clipping, sweeping, pruning, raking, and otherwise caring for existing landscaping) and the improvements to such Common Maintenance Areas, such as the sprinkler systems, sidewalks, parking areas and detention facilities, provided the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Maintenance Areas; payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions, and conditions affecting the property to which the maintenance fund applies; caring for vacant Lots; and doing any other thing or things necessary or desirable in the opinion of the Board to keep the Property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the Board in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall, in addition, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements of the Common Maintenance Areas. The fund shall be established and maintained out of regular annual assessments.

(d) Special Assessments For Working Capital Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the annual assessments authorized above, the Association may levy and assess, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any non-recurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement within any Common Areas, including fixtures and personal property related thereto. The Association shall not commingle the proceeds of such special assessment with the maintenance fund. Such proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or improvements in question.

Section 4. Special Member Assessments. The Board of Directors may levy a "Special Member Assessment" (herein so called) on any Member, to the extent any directly related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

(a) Paying the cost of any damage or loss requiring maintenance, repairs or replacements of Common Areas, which damage or loss has been determined by the Board to have been caused, either directly or indirectly, by the act(s) of such Member, or such Member's family members, guests, invitees, agents, employees, occupants or visitors; and/or

(b) Cumulative of all other rights under this Declaration or otherwise permitted by judicial process (including the award of civil damages for a violation of these covenants and restrictions as set forth in Section 202.004(c) of the Texas Property Code), in the event an Owner fails to cure a violation of these covenants and restrictions and/or any rules or regulations promulgated by the Association after proper notice, and the Association incurs legal fees to enforce these covenants and restrictions and/or any such rules or regulations, all costs incurred by the Association in connection therewith, including attorneys fees and court costs, shall be charged to the Lot and Owner thereof as a Special Member Assessment which shall be secured by the Assessment Lien; and/or

(c) In the event an Owner fails to properly maintain his or her Lot including the Residence thereon, and the Association is required to enter upon the Lot to perform such maintenance as required to bring the Lot or the Residence thereon up to the standards set forth in these covenants and restrictions, such costs incurred by the Association shall be charged to the Lot and Owner thereof as a Special Member Assessment, secured by the Assessment Lien, as set forth in Section 1 of Article IX hereof; and/or

(d) Paying the remedial charges or Violation Fines referenced in Section 5 of this Article II and Section 3 of Article IX hereof, respectively, or as otherwise set forth herein.

Section 5. Nonpayment of Assessments: Remedies of the Association.

(a) If any Assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such Assessment shall become delinquent and shall, together with late charges, collection fees and service charges [hereinafter defined in subparagraph (c)], and interest thereon at the highest permitted lawful rate per annum and costs of collection thereof (including attorneys' fees), thereupon become a continuing debt secured by the Assessment Lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the Owner, his heirs, executors, devisees, personal representatives and assigns. The Association shall have the right to reject partial payments of an Assessment and demand the full payment thereof. The personal obligation of the Owner to pay such Assessment shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. Nonetheless, the Assessment Lien for unpaid Assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise deny liability for the Assessments provided herein by non-use of the Common Areas or by abandonment of his Lot.

(b) The Association is hereby granted permission and authority by each Owner to provide, at its sole option, written notification to the holder(s) of the mortgage on the Lot of the non-paying Owner of such Owner's default in paying any Assessment when such default has not been cured within thirty (30) days.

(c) If any Assessment or any part thereof remains unpaid at the expiration of thirty (30) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each month, or any part thereof, that any portion of any Assessment remains unpaid. Should any annual or special Assessment be payable in installments, the Association is authorized to accelerate the entire Assessment and demand immediate payment thereof. The late charge shall be in the amount of Twenty-Five and No/100 Dollars (\$25.00) per month and shall serve to reimburse the Association for administrative expenses incurred to collect delinquent Assessments. The Association's managing agent shall be entitled to charge an Owner a monthly collection fee to compensate the managing agent for its efforts to collect delinquent Assessments. A service charge in the amount of Twenty and No/100 Dollars (\$20.00) shall be charged for each check that is returned because of insufficient funds. The amounts of late charges and service charges may be adjusted, for time to time, by the Board consistent with any changes in the administrative costs to collect such Assessments or the Association's bank charges.

(d) If any Assessment or part thereof, late charges or service charges, are not paid when due, the unpaid amount of such Assessment, together with all late charges, collection fees and service charges, shall bear interest from and after the date when due at the rate set by the Board of Directors, not to exceed the highest permitted lawful rate per annum, and the Association may, at its election, retain the services of an attorney for collection and there shall also be added to the amount of such unpaid Assessment, late charge or service charge, any and all collection costs incurred hereunder by the Association, including reasonable attorneys' fees.

(e) The Association may, at its option, bring an action at law against the Owner personally obligated to pay any past due Assessments, or, upon compliance with the notice provisions required by law, foreclose the Assessment Lien through non-judicial foreclosure. There shall be added to the amount of such Assessment all costs incurred in such action, including attorneys' fees, and, in the event a judgment is obtained, such judgment shall include interest and reasonable attorneys' fees, together with Court costs. Each Owner expressly vests in the Association or its assigns, the right and power to bring all actions at law or in equity foreclosing such Assessment Lien against such Owner, and the expenses incurred in connection therewith, including interest, costs and reasonable attorneys' fees, shall be chargeable to the Owner in default. Under no circumstances, however, shall Declarant or the Association be liable to any Owner or to any other person or entity for failure or inability to enforce or attempt to enforce the payment of Assessments herein.

(f) No action shall be brought to foreclose said Assessment Lien or to proceed under the power of sale herein provided in less than thirty (30) days after the date a Notice of Assessment Lien is deposited with the postal authority, certified or registered, postage prepaid to the Owner of said Lot, and a copy thereof is recorded by the Association in the Office of the County Clerk of Tarrant County, Texas. Said Notice of Assessment Lien must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may include interest on the unpaid Assessments at the maximum legal rate), attorneys' fees incurred by the Association in collecting the amounts due, late charges, collection fees and expenses of collection in connection with the debt, all of which shall be secured by the Assessment Lien, and the name of the Association.

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

(h) Upon the timely curing of any default for which a Notice of Assessment Lien was recorded by the Association, the Association's attorney is hereby authorized to file of record an appropriate Release of such Notice of Assessment Lien, upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing or recording the Release of Notice of Assessment Lien.

(i) The Assessment Lien and the right to conduct a non-judicial foreclosure sale hereunder shall be in addition to and not in substitution of all other rights and remedies which the Association and its successors or assigns may have hereunder and by law, including the right to recover a money judgment for unpaid Assessments as above provided.

Section 6. Subordination of the Assessment Lien to Mortgages. The Assessment Lien provided for herein shall be subordinate and inferior to all mortgage or deed of trust liens, present and future, given, granted and created by or at the insistence and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to the foreclosure sale, on a pro-rated basis, whether public or private, of such property pursuant to the terms and conditions of any such mortgage or deed of trust. Such sale shall not relieve such Lots from liability for the amount of any pro-rated Assessments or any Assessments thereafter becoming due or from the lien securing payment of any such subsequent Assessment.

Section 7. Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be all Owners with the exception of Declarant [until the occurrence of the events referenced in Section 7(b) below which converts Declarant's Class B Membership to a Class A Membership] and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot, each such person shall be a Member, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any one Lot.

(b) Class B. The Class B Member shall be Declarant who shall be entitled to ten (10) votes for each unoccupied Lot owned by it. The Class B Membership shall cease and be converted to a Class A Membership (i) one hundred (100) days after the conveyance of the Lot which causes the total votes outstanding in the Class B Membership to be less than fifty (50), or (ii) ten (10) days after conveyance of the last Lot owned by Declarant, or (iii) upon the filing in the Land Records of Tarrant County, Texas, of a notice signed by Declarant of the termination of the Class B Membership, whichever occurs first. The Class B Membership shall be reinstated at any time before the expiration of twenty (20) years from the date of conveyance of the first Lot if additional Lots owned by Declarant are annexed to this Declaration in sufficient numbers to restore a ratio of at least one (1) Class B Lot for each ten (10) Class A Lots within the Property.

(c) Suspension. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any Assessment duly established pursuant to this Article or is otherwise in default hereunder or under the Bylaws or rules and regulations of the Association and such suspension shall apply to the proxy authority of any voting representative, if any.

Section 8. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all Members, or delivered to their Units, not less than fifteen (15) days nor more than forty-five (45) days in advance of the meeting. Unless otherwise provided in this Declaration, the presence of Members, in person or by proxy, entitled to cast thirty percent (30%) of the votes of the membership shall constitute a quorum at any such meeting. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be two-thirds (2/3rds) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (the quorum requirement being reduced for each such meeting). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 9. Exempt Property. The following property otherwise subject to this Declaration shall be exempt from the Assessments and charges created herein:

- (a) All properties dedicated and accepted by the local public authority and devoted to public use;
- (b) All Common Areas as defined in Article I hereof;
- (c) Any and all areas which have been reserved by the Declarant on the recorded Final Plat(s) of the Property; and
- (d) All Lots owned by Declarant as a Class B Member until conveyance to a Class A Member.

Section 10. Turnover Procedure. Following the termination of the Class B membership status and Declarant's determination that it does not desire to annex additional property, Declarant shall cause control of the Association to be turned over to the general membership of the Association ("Turnover"). Within thirty (30) days of the termination of the Class B membership status, and Declarant's determination that it does not desire to annex additional property, the President of the Association shall call a special meeting of the Board of Directors. At such meeting, the Board of Directors shall set a date for a subsequent meeting of the members of the Association at which the Turnover will occur ("Turnover Meeting"), which meeting shall be at least thirty (30) but no more than sixty (60) days after the special meeting. The Board of Directors shall provide at least thirty (30) days notice to the Class A Members of the date and location of the Turnover Meeting. Prior to the Turnover Meeting, a representative of the Declarant, a representative of the Managing Agent, if any, and one or more of the then-existing resident directors shall meet as necessary to cause the turnover of all records associated with the existence, maintenance and operation of the Association. At the Turnover Meeting, the then-existing directors appointed by Declarant shall submit their written resignations and new directors shall be elected, as necessary, to fill the Board in accordance with the Bylaws; provided, however, that notwithstanding anything contained in the Bylaws, Declarant shall have the right to appoint at least one (1) member of the Board as long as Declarant owns at least one Lot. From and after the date of Turnover, Declarant shall have no further responsibility or liability associated with the Association, the operations of the Board, the maintenance of any Common Area, or any other matters associated with the Common Area. In that regard, at and as of the Turnover Meeting, the Association shall execute and deliver to the Declarant a general release, in form acceptable to Declarant, releasing Declarant from all liability associated with the development, construction, operation and maintenance of the Common Area. From and after Turnover, to the extent that any dispute arises between the Association and the Declarant regarding a matter that is allegedly not covered by the release or regarding the release itself, then such dispute, if any, shall be resolved through arbitration under the rules of the American Arbitration Association's expedited arbitration procedure.

ARTICLE III

GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 1. Purpose of Maintenance Fund. The Board, for the benefit of the Owners, shall provide and shall pay out of the maintenance fund provided in Article II above, the following:

(a) Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.

(b) Care and preservation of the Common Maintenance Areas.

(c) Legal and accounting services, if needed.

(d) A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board, including a policy or policies of insurance as provided in Article IV below.

(e) Workers compensation insurance to the extent necessary to comply with any applicable laws, if needed.

(f) Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.

(g) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes, or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the enforcement of this Declaration.

(h) Performance of all of the obligations of the Association required by that certain Detention Pond Maintenance Agreement dated of even date herewith, executed and delivered by the Association for the benefit of the City, a copy of which is attached hereto and made a part hereof as Exhibit "B".

Section 2. Powers and Duties of the Board. The Board, for the Benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the Bylaws of the Association:

(a) To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

(b) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit.

(c) To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

(d) To protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

(e) To make reasonable rules and regulations for the operation of the Common Areas and to amend or supplement them from time to time.

(f) To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

(g) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damages or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

(h) To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

(i) To collect all Assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

(j) To maintain all portions of the Common Areas within any drainage easements so that, at a minimum, positive surface drainage within such drainage easement areas will be maintained at all times.

Section 3. Board Power Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, the payment of which is to be made from the maintenance fund, and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

Section 4. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association.

ARTICLE IV

TITLE TO COMMON AREAS

Section 1. Association to Hold. The Association shall assume all maintenance obligations with respect to the Common Areas conveyed or dedicated to the Association pursuant to the Plat of **Settlement Plaza, Phase III**, or which are otherwise intended to be maintained by the Association by agreement or by the terms of or notations on the final Plat of **Settlement Plaza, Phase III**.

Section 2. Liability Insurance. From and after the date on which the Association assumes the maintenance obligation with respect to the Common Areas, the Association has the authority to purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its Members, covering occurrences on the Common Areas. The policy limits shall be as determined by the Board of Directors. The Association shall use its best efforts to see that such policy shall contain, if available, cross liability endorsements or other appropriate provisions for the benefit of the Members, Board of Directors, the management company and other insureds, as their respective interests may be determined.

Section 3. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps that it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event the Board determines that the funds cannot be used in such a manner due to lack of available land for additional Common Areas or for whatever reason, any remaining funds may be utilized by the Association for the general maintenance fund.

ARTICLE V

EASEMENTS

Section 1. Utility Easements. As long as Class B Membership shall be in effect, Declarant hereby reserves the right to grant perpetual, nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through, and under any portion of the Common Areas or any portion of any Lot outside of the permitted building area of such Lot, for ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, cable television. Declarant, for itself and its designees, reserve the right to retain title to any such easements. Upon cessation of Class B Membership, the Association shall have the right to grant the easements described herein.

Section 2. Declarant's Easement to Correct Drainage. As long as the Class B Membership shall be in effect, or for two years from the date of filing of the Plat, whichever is greater, Declarant hereby reserves a blanket easement on, over and under the ground within the Property to maintain and correct drainage of the surface waters and other erosion controls, in order to maintain reasonable standards of health, safety, and appearance and shall be entitled to remove trees or vegetation, without liability for replacement of damage, as may be necessary to provide adequate drainage for any portion of the Property. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any greater duty upon Declarant or the Association to correct or maintain any drainage facilities within the Property than that which is specifically set forth in this Declaration.

Section 3. Easement for Unintentional Encroachment. Declarant hereby reserves an exclusive easement for the unintentional encroachment by any structure upon the Common Areas caused by or resulting from construction, repair, shifting, settlement, or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching property to the extent of such encroachment.

Section 4. Entry Easement. In the event that an Owner fails to maintain such Owner's Lot as required herein, or in the event of the need for emergency repairs, Declarant hereby reserves for itself and the Association an easement and right of entry on, over and under the ground within the Property to do the work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass and Declarant and the Association shall not be liable for any damage so created unless such damage is caused by Declarant's or the Association's willful misconduct or gross negligence.

Section 5. Drainage and Utility Easements. Easements for the installation and maintenance of utilities, storm water drainage facilities, surface drainage and storm water retention and/or detention ponds are reserved as may be dedicated on the recorded Plat. Within these easement areas, no structure, plant or material shall be placed or permitted to remain which may hinder or change the direction or flow of drainage channels or slopes within the easement area. The easement area within a particular Lot shall be maintained continuously by the Owner of the Lot so as to maintain, at a minimum, the positive surface drainage within those easement areas at all times. Furthermore, any use restrictions and maintenance requirements applicable to the foregoing areas as set forth on the Plat shall be complied with by the Owner of such areas.

Section 6. Temporary Completion Easement. All Lots shall be subject to an easement of ingress and egress for the benefit of Declarant, its employees, subcontractors, successors and assigns (including homebuilders), over and upon the front, side or rear yards of the Property as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon Lots adjacent to the Property, provided that such easement shall terminate twelve (12) months after the date such Lot is conveyed to the Owner by Declarant.

ARTICLE VI

PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Owner shall have the right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to establish and publish (and to amend and supplement) rules and regulations governing the use of the Common Areas affecting the welfare of the Association Members;

(b) The right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any Assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association, subject to the provisions hereof, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for such purpose and subject to the conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of each Class of Membership has been recorded agreeing to such dedication or transfer;

(d) All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the Owners, and all of their grantees, and their respective heirs, personal representatives, successors and assigns, perpetually and in full force.

Section 2. Effect of Declaration. Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easement and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 3. Re-zoning Prohibited. No Lot shall be re-zoned to any classification allowing commercial, institutional or other non-residential use, nor shall the Property be re-zoned from its existing single family designation, without the express consent of the Association and Declarant (as long as Declarant owns any Lot subject to this Declaration), which consent may be withheld in the Association's or Declarant's sole discretion. Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved re-zoning at the expense of the enjoined party.

ARTICLE VII

USE RESTRICTIONS

Section 1. Types of Buildings Permitted. All Lots shall be used for residential use only, and 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 and a private garage for not less than two (2) automobiles. Only one accessory type structure other than those mentioned above is permitted provided such structure is located behind the front line of the residential building and the minimum required side yard distances are maintained. The architecture of the buildings must compliment that of the residential building. Sheet metal siding and roofs are expressly prohibited.

Section 2. Minimum Floor Area and Exterior Walls. Each single family dwelling constructed on any Lot shall conform to the requirements of City. **Furthermore, and notwithstanding that the applicable zoning may be less restrictive, the floor area of any dwelling within the Subdivision shall be a minimum of 1,000 square feet, in all cases exclusive of garages, breezeways and porches. Furthermore, and notwithstanding that the applicable zoning may be less restrictive, no dwelling shall be erected on a lot of material other than brick, stone, brick-veneer, or other masonry material unless the above named materials constitute at least sixty percent (60%) of the outside wall areas below the first floor plate line, excluding window and door areas, below gables or roof areas.**

Section 3. Setbacks. No building shall be located on any Lot nearer to the property line for such Lot than the building line for such Lot as designated on the Plat or as may otherwise be required by the City. If two or more Lots are consolidated into one building site in conformity with the provisions of Section 5 of this Article VII, these building setback provisions shall be applied to such resultant building site as if it were one original Lot. The ordinances of the City, to the extent applicable to the Property on a less permissive basis than the Plat or the provisions of this Declaration, shall control over the provisions hereof or of the Plat.

Section 4. Driveways. All driveways are to be concrete or masonry. All driveways must be completed prior to occupancy. Gravel driveways are expressly prohibited.

Section 5. Combining Lots. Any person or entity owning two (2) or more adjoining Lots, after first obtaining Declarant's prior written consent (until such time as Declarant no longer owns a Lot), may consolidate such Lots into a single building location for the purpose of constructing one (1) residential structure thereon and such other improvements as are permitted herein; provided, however, any consolidation thereof must comply with the laws, rules, ordinances and regulations of the City. In the event of any such consolidation, the consolidated building lot shall continue to be treated as two (2) or more Lots for purposes of applying the provisions of this Declaration. Combining portions of Lots into a single building lot is prohibited.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood.

Section 7. Development Activity. Notwithstanding any other provisions herein to the contrary, Declarant and its successors and assigns (including homebuilders) shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property and the construction and sale of the dwelling Units on the Property.

Section 8. Temporary Structures. No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, shall be used on any Lot at any time as a residence, either temporarily or permanently.

Section 9. Signs and Picketing. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view, except with respect to the following:

(a) For Sale Signs. An Owner may erect one (1) sign not exceeding 2' X 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground advertising the property for sale.

(b) Declarant and/or Homebuilder Signs. Declarant and/or home builders with Declarant's approval may erect and maintain a sign or signs or a flag or flags for the construction, development, operation, promotion, marketing and sale of the Lots and/or the Units constructed or to be constructed on the Lots.

(c) Political Signs. No more than one political sign may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such sign shall not be erected more than ninety (90) days in advance of the election to which they pertain and is removed within fifteen (15) days after the election.

(d) Subcontractor Signs. No more than one subcontractor (such as a landscaping or swimming pool contractor) at any one time may temporarily erect their sign not to exceed 2' X 3', which sign shall be removed within thirty (30) days after completion of the job.

In addition to the foregoing, to protect the safety and harmony of the community, no person shall engage in picketing on any Lot, easement, right-of-way or Common Area within or adjacent to the Property, nor shall any vehicle parked, stored or driven in or adjacent to the Property bear or display any signs, slogans, symbols, words or decorations intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activities of any Owner or Declarant.

Section 10. Campers, Trucks, Boats, Recreational Vehicles and Machinery and Equipment. No boat, trailer, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or any machinery or equipment (including lawn maintenance machinery or equipment) may be parked for storage in the driveway or front yard of any dwelling or parked on any public street on the Property, nor shall any such vehicle, machinery or equipment be parked for storage or stored in the side or rear yard of any Residence unless completely concealed from public view. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Residence in the immediate vicinity.

Section 11. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats and other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose.

Section 12. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Rubbish, trash, garbage and other waste shall be kept only 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.

Section 13. Sight Distances and Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot with the triangular area formed by the street boundary lines and a line connecting them at points twenty-five (25) feet from the intersection of the street boundary lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street boundary line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 14. Garage Doors. Garage doors must remain closed to the extent practicable.

Section 15. Window Coolers. No window or wall type air-conditioners or water coolers shall be permitted to be used, erected, placed or maintained on or in any residential building within the Property.

Section 16. Parking and Inoperable Vehicles. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Areas or within an easement area. All vehicles kept on a Lot must be inspected and licensed, and no inoperative motor vehicles and/or machinery or equipment shall be kept on any Lot unless housed within the garage.

Section 17. Fences, Walls. All fences and walls shall, at a minimum, conform strictly to the requirements of the City and the Plat. No fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street than the minimum front building setback line indicated on the applicable Plat, unless otherwise permitted by the City. Except as specifically set forth below, all retaining walls are to be of brick, concrete or stone. All fencing walls or screening fences shall be of first quality residential type which is harmonious and compatible with the residential character of the development. All fences and walls shall be maintained in a sound state by the Owner. Failure to maintain a fence or wall in a sound, orderly and secure state shall constitute a violation of this restriction. Neither the Association nor the Declarant shall have any responsibility whatsoever for the installation or maintenance of fencing or walls.

Section 18. Antennae, Satellite Dishes and Solar Collectors. The erection, construction, placement or installation of any television, radio or other electronic towers, serials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication upon a Lot or upon any improvements thereon is prohibited, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part I, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

To the extent that reception of an acceptable signal would not be impaired or the cost of installation would not be unreasonably increased, an antenna permissible pursuant to rules of the Association may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use and building regulations.

No Owner may erect or maintain solar collector panels or other similar solar collector equipment upon any Lot unless such apparatus is not visible from the street or neighboring property and must be integrated with the dwelling and surrounding landscape.

Section 19. Chimneys. All fireplaces, flues, smokestacks and spark arrestors shall be completely enclosed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the dwelling.

Section 20. Clothes Hanging Devices. Exterior clothes hanging devices shall not be permitted.

Section 21. Window Treatment. No aluminum foil, reflective film, sheets, bedding, newspapers or other similar treatment shall be placed on window or glass doors.

Section 22. Building Standards. Notwithstanding anything contained herein to the contrary, no building or other improvement (including landscaping) shall be erected, planted or maintained on any Lot unless, at a minimum, it complies fully with all applicable standards therefor imposed by any governmental laws, rules, regulations and ordinances applicable to the Property. IN SOME INSTANCES GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH GOVERNMENTAL REQUIREMENTS AND ANY REQUIREMENTS OF

THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION OF THIS DECLARATION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH CASE SUCH MANDATORY GOVERNMENTAL REQUIREMENTS SHALL APPLY AND COMPLIANCE THEREWITH SHALL NOT BE DEEMED TO BE A BREACH OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS OF THIS DECLARATION SHALL PREVAIL AND CONTROL.

ARTICLE VIII

ANNEXATION

Section 1. Annexation by Declarant. At any time during the initial term of this Declaration, Declarant may, at its sole option, annex additional property to this Declaration, upon which annexation such property shall be subject to the terms hereof to the same extent as if originally included herein and shall be additionally subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant. Annexation shall be evidenced by a written Declaration of Annexation executed by Declarant setting forth the legal description of the property being annexed and any such additional restrictive covenants to be applied to such annexed property.

Section 2. Annexation by Action of Members. The Board may at any time request approval of the Membership for the annexation of additional property into the Association to be subject to all of the terms of this Declaration to the same extent as if originally included herein. No such annexation shall be effective unless approved in writing by Members entitled to cast two-thirds (2/3) of the total votes in both classes of Membership. Any property that is contiguous to existing property encumbered by this Declaration may be annexed hereto according to the foregoing requirements; provided, however, that no such annexation shall be effective without the consent and joinder of the owners of the property to be annexed. Such annexation must be evidenced by a Declaration of Annexation as set forth in Section 1 of this Article VIII executed by the parties herein described.

Section 3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of Declarant or any other Member to annex any property to this Declaration and no owner of property excluded from this Declaration shall have any right to require the annexation of such property to this Declaration.

Section 4. Effect of Annexation on Class B Membership. In determining the number of Lots owned by Declarant for the purpose of Class B Membership status according to Article II, Section 7, the total number of Lots covered by this Declaration, including all Lots annexed hereto, shall be considered. If Class B Membership has previously expired and the annexation of additional property restores the ratio of Lots owned by Declarant to the number required for Class B Membership, such Class B Membership shall be reinstated.

ARTICLE IX

GENERAL

Section 1. Owners Maintenance Responsibilities. The Owner of each Lot shall be responsible for the proper maintenance and upkeep of the Lot and improvements at all times, whether the Lot is improved or not. Prior to, and during, the improvement of a Lot, the Owner of the Lot shall keep any grass and weeds neatly mowed, and shall not permit the accumulation of trash, rubbish or other unsightly articles. Following completion of the improvements upon any Lot, each Owner shall maintain and care for all such improvements and all trees, foliage, plants and lawns on the Lot, and shall otherwise keep the Lot and all improvements thereon in good condition and repair and in conformity with the general character and quality of properties in the immediate area, such maintenance and repair to include, but not be limited to: (a) the replacement of worn and/or rotted components, (b) the regular painting of all painted exterior surfaces, (c) the maintenance, repair and replacement of roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, drives, parking areas and other exterior portions of the improvements to maintain an attractive appearance, and (d) regular mowing and edging of lawn and grass areas. Furthermore, an Owner whose Lot lies within any drainage easements dedicated to the City, or as otherwise dedicated on the Plat, shall be required to maintain such areas so that, at a minimum, positive surface drainage is maintained within such areas at all times. Upon failure of any Owner to maintain a Lot owned by him in the manner prescribed herein, the Declarant or the Association, or either of them, at its option and discretion, but without any obligation to do so, and only after seven (7) days written notice to such Owner to comply herewith (except in an emergency situation, in which case immediate action without notice may be undertaken), may enter upon such Owner's Lot and undertake to maintain and care for such Lot to the condition required hereunder and the Owner thereof shall be obligated, when presented with an itemized statement, to reimburse Declarant and/or the Association for the cost of such work within ten days after presentment of such statement, which amount shall be considered a Special Member Assessment hereunder.

Section 2. Enforcement. Enforcement of these covenants and restrictions shall be by a proceeding initiated by a person or persons owning any Lot in the Property, by the Association, when directed by the Board, or by the County of Tarrant against any person or persons violating or attempting to violate any covenant or restriction contained herein, either to restrain or enjoin violation or to recover damages for the violation or both or to enforce any lien created by this instrument. The Association, and each of its Board members, shall have an election and right, but not an obligation or duty, to enforce these covenants and restrictions by a proceeding or proceedings at law or in equity. Failure by the Association or any party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Further, and with respect to any litigation brought against the Board or any of its members or representatives arising out of any action, failure to act, or performance or non-performance of duties imposed hereby, such members or representatives so sued shall be entitled to recover their reasonable attorneys' fees from the person or entity bringing such action against it or them, unless the Board or its members or representatives shall specifically be adjudicated liable to such claimant.

Section 3. Imposition of Violation Fines.

(a) In the event that any person fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the covenants and restrictions contained herein or any rules and regulations promulgated by the Association after proper notice thereof within ten (10) days after receipt of written notice from the Board or its agents designating the particular violation, the Board shall have the power and authority to impose upon that person a reasonable fine (the "Violation Fine"), not to exceed Five Hundred and No/100 Dollars (\$500.00).

If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Board shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall also not exceed Five Hundred and No/100 Dollars (\$500.00). There shall be no limit to the number or the aggregate amount of Violation Fines which may be levied against a person for the same violation. The Violation Fines, together with interest at the highest lawful rate per annum and any costs of collection, including attorneys' fees, shall be a continuing lien upon the Lot against which such Violation Fine is made and shall be considered a Special Member Assessment under Section 4 of Article II hereof.

(b) Upon notification of a violation of the Declaration or any rules or regulations, the Board of Directors will issue written notice to the Owner of such violation as provided by this Section 3, including a copy of this Section 3.

(c) Whenever an Owner, upon curing a violation of the Declaration or any rules or regulations after receiving written notice thereof as described in (b) above, receives written notice for the second time detailing a separate violation of the same provision of the Declaration or any rules or regulations, within eighteen (18) months from the date the Owner received the first written notice, such second written notice will also have a copy of this Section 3 attached.

(d) If a subsequent and separate violation of the same restriction or covenant or the same rule or regulation by the same Owner is noted, that being the third separate violation within eighteen (18) months from the date the Owner received the first written notice, then the Owner will automatically be assessed a Violation Fine in an amount not to exceed Five Hundred and No/100 Dollars (\$500.00) as provided and authorized by this Section 3 without the necessity of providing the Owner with the written notice requesting corrective action described in Section 3(a)-(c) above.

(e) The Board of Directors is hereby granted the authority to promulgate policies and procedures which will provide greater detail in establishing the notice of violation and enforcement procedures to be followed in handling violations of the covenants and restrictions.

Section 4. Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless seventy-five percent (75%) of the votes outstanding shall have voted to terminate the covenants and restrictions of this Declaration and prior approval has been obtained from the City upon the expiration of the initial twenty-five (25) year period or any extension thereof, which termination shall be by written instrument signed by seventy-five percent (75%) of the Owners and countersigned by a duly authorized representative of the City and properly recorded in the **Tarrant County, Texas** land records. This Declaration may be amended by an instrument signed by Owners constituting not less than sixty-five percent (65%) of the votes of the Association. Any amendment must be recorded. Notwithstanding anything contained herein to the contrary, this Declaration may be amended and/or changed in part as follows:

(a) By Declarant within the ten (10) year period following the recordation of this Declaration in the Land Records of **Tarrant County, Texas**; or

(b) By Declarant (after the ten year period following the date this Declaration was recorded in the Land Records of **Tarrant County, Texas**) upon the written consent of no less than fifty-one percent (51%) of the Owners of Lots subject to the Declaration.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, all of which unaffected provisions shall remain in full force and effect.

Section 6. Reserve Right of Declarant. Notwithstanding any other provisions hereof to the contrary, Declarant reserves the right (upon application and request of the Owner of any Lot) to waive, vary or amend (by appropriate letter to that effect addressed and delivered to such applicant Owner by Declarant) the application of any of these covenants and restrictions to such Lot if, in the sole discretion of Declarant, such actions are necessary to relieve hardship or permit good architectural planning to be effectuated. Declarant also reserves the right, notwithstanding any provision hereof to the contrary, to consolidate, resubdivide and replat any Lot now or hereafter owned by Declarant without the requirement of any notice or consent of any Owner.

Section 7. Sales Office. Declarant may designate the location of a Sales Office for use in offering Lots for sale and for all purposes incident thereto. Said use is intended as temporary and shall cease at such time as seventy-five percent (75%) of the Lots in all have been sold and living Units constructed thereon. The foregoing does not apply to Model Homes.

Section 8. Rights and Obligations. The provisions of this Declaration and the Articles of Incorporation and Bylaws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all the Owners and their respective heirs, representatives, successors, purchasers, grantees, mortgagees and assigns. By the recording of the acceptance of a deed conveying a Lot of any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound and subject to all of the provisions of this Declaration and the Articles of Incorporation and Bylaws, whether or not mention thereof is made in said deed.

Section 9. Failure of Association to Perform Duties. Should the Association fail to carry out its duties as specified in this Declaration, the City or its lawful agents shall have the right and ability, after due notice to the Association, to remove any landscape system, features or elements that cease to be maintained by the Association; to perform the responsibilities of the Association if the Association fails to do so in compliance with any of the provisions of this Declaration or of any applicable City codes, ordinances or regulations; to assess the Association for all costs incurred by the City in performing said responsibilities if the Association fails to do so; and to avail itself of any other enforcement actions available to the City pursuant to state law or City codes, ordinances or regulations. Should the City exercise its rights as specified above, the Association shall indemnify and hold harmless the City from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the City's removal of any landscaping systems, features or elements that cease to be maintained by the Association or from the City's performance of the aforementioned operations, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said duties.

Section 10. Liability Limitations. Neither the Declarant, nor any Member, officer of the Association or member of the Board of Directors of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Declarant, the Association, its directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. The Common Areas may be subject to storm water overflow, natural bank erosion and other natural or man-made events or occurrences to extents which cannot be defined or controlled. Under no circumstances shall the Declarant ever be held liable for any damages or injuries of any kind or character or nature whatsoever resulting from: (i) the occurrence of any natural phenomena; (ii) the failure or defect of any structure or structures situated on or within the Common Areas; and (iii) any act, conduct, omission or behavior of any individual, group of individuals, entity or enterprise occurring on, within or related to the Common Areas.

Section 11. Lot Sale and Repurchase Provisions. Should, for any reason, (1) the Owner of a Lot elect to resell its Lot rather than to proceed with construction of a residence on such Lot, or (2) the Owner of a lot fails to commence construction of a residence on such Lot within eighteen (18) months following such Owner's purchase thereof from Declarant, Declarant, and/or its assigns, shall have the option to repurchase the Lot at the purchase price paid by the Owner thereof to Declarant for such Lot at the initial closing thereof. If Declarant does not exercise its option to repurchase the Lot by written notice to the Owner within thirty (30) days after (A) the Owner's written notice of the availability of such option with respect to subclause (1) above, or (B) the later of the date upon which (x) the Owner has failed to commence construction of a residence on such Lot within eighteen (18) months following such Owner's purchase thereof from Declarant, or (y) the Owner has provided written notice to Declarant that it has failed to commence construction within said eighteen (18) month period, then the Owner may sell the Lot to any other party who shall be obligated to abide by all of the provisions of this Declaration. In the event Declarant elects to repurchase such Lot, it shall consummate such repurchase within sixty (60) days after the exercise of its repurchase option.

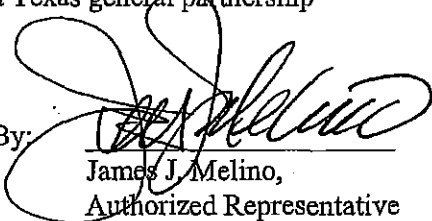
Section 12. Compliance with Laws. At all times, each Owner shall comply with all applicable federal, state, county, and municipal laws, ordinances, rules, and regulations with respect to the use, occupancy, and condition of the Property and any improvements thereon. If any provision contained in this Declaration or any supplement or amendment thereto is found to violate any law, then the provision shall be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

Section 13. Conflict and Eligibility. If an Owner is involved in litigation with the Association as to a conflict of interpretation of this Declaration, the rules and regulations promulgated by the Association, the Bylaws of the Association and/or the amount of delinquent assessments, that Owner is not a Member in good standing. Furthermore, to be in good standing with the Association, the Member must have all assessments of every type and category paid up to date, have no outstanding financial obligations to the Association that are delinquent and shall have no current, uncured deed restriction violations on one or more Lots within the Subdivision. Eligibility to vote, to participate in any Association meetings or activities, or to serve as a representative, director or officer of the Association shall be predicated upon being a Member in good standing with the Association.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the day and year first above written.

DECLARANT:

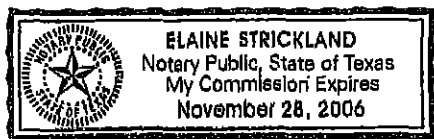
WEST/LOOP 820 PARTNERS,
a Texas general partnership

By: 

James J. Melino,
Authorized Representative

STATE OF TEXAS S
 S
COUNTY OF DALLAS S

This instrument was acknowledged before me on the 21st day of April, 2004, by James J. Melino, Authorized Representative of West/Loop 820 Partners, a Texas general partnership, on behalf thereof.




Notary Public in and for
the State of Texas

RATIFICATION BY LIENHOLDER:

THE FROST NATIONAL BANK

By: 

Name: LARRY CARLTON
its [Vice] President
Exec.

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on April 2nd, 2004, by Larry Carlton, Exec. [Vice] President of The Frost National Bank, a state chartered bank, on behalf thereof.



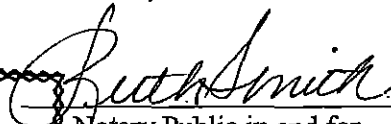

Notary Public in and for
the State of Texas

EXHIBIT A

BEING a tract of land situated in the P. CALDWELL SURVEY, Abstract No. 365, City of Fort Worth, Tarrant County, Texas, and being part of West/Loop 820 Partners, Volume 12927, Page 38, Deed Records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with yellow cap marked "Dunaway Assoc, Inc" found on the Westerly right-of-way line of Expedition Drive (90 feet right-of-way), and for the Northeast corner of Lot 73, Block 4 of Settlement Plaza Addition, according to the plat recorded in Cabinet A, Slide No. 7757, Plat Records, Tarrant County, Texas;

THENCE North 88 degrees 56 minutes 54 seconds West, leaving said right-of-way line and with the North line of said Block 4, 786.45 feet to a 1/2 inch iron rod found in the Easterly line of Block 1, White Settlement Commercial Addition, according to the plat recorded in Cabinet A, Slide 827 of said Plat Records, same being the beginning of a non-tangent curve to the left having a central angle of 11 degrees 27 minutes 05 seconds, a radius of 1800.00 feet, and a long chord bearing and distance of North 22 degrees 09 minutes 41 seconds West, 359.16 feet;

THENCE in a Northwesterly direction, with the arc of said curve to the left and the Easterly line of said Block 1, 359.76 feet to a 1/2 inch iron rod found with a yellow cap stamped "Beasley" for the Southerly corner of a tract described in the deed to Sue S. Shelton, recorded in Volume 12254, Page 1888 of said Deed Records;

THENCE North 00 degrees 51 minutes 01 second East, with the Easterly line of said Shelton tract, a distance of 750.56 feet to a 1/2 inch iron rod found for the beginning of a nontangent curve to the left, having a central angle of 16 degrees 25 minutes 39 seconds, a radius of 632.62 feet, and a long chord bearing and distance of North 81 degrees 43 minutes 50 seconds East, 180.76 feet;

THENCE in an Easterly direction, with the arc of said curve to the left, 181.38 feet to a 1/2 inch iron rod found;

THENCE North 00 degrees 35 minutes 50 seconds East, 15.00 feet to a 1/2 inch iron rod found;

THENCE South 89 degrees 24 minutes 10 seconds East, 361.59 feet to a 5/8 inch iron rod set;

THENCE South 00 degrees 51 minutes 01 seconds West, 468.53 feet to a 5/8 inch iron rod set;

THENCE South 27 degrees 18 minutes 45 seconds East, 135.53 feet to a 5/8 inch iron rod set;

THENCE South 88 degrees 56 minutes 54 seconds East, 284.18 feet to a point on the Westerly right-of-way line of said Expedition Drive, same being the beginning of a nontangent curve to the left, having a central angle of 25 degrees 30 minutes 55 seconds, a radius of 1226.13 feet, and a long chord bearing and distance of South 03 degrees 14 minutes 53 seconds East, 541.52 feet;

THENCE in a Southerly direction, with the arc of said curve to the left and said Westerly right-of-way line, 546.02 feet to the POINT OF BEGINNING and containing 767,890 square feet or 17.628 acres of land, more or less.

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**NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR**

**SETTLEMENT PLAZA, PHASE III
(Also Known as Settlement Village, Phase III)**

**STATE OF TEXAS §
 § KNOWN ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT §**

**THIS NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR SETTLEMENT
PLAZA, PHASE III (Also Known as Settlement Village, Phase III) (this "Notice") is made this 8th
day of June, 2004, by the Settlement Village Residential Association, Inc. (the "Association").**

W I T N E S S E T H:

WHEREAS, West/Loop 820 Partners prepared and recorded an instrument entitled
"Declaration of Covenants, Conditions and Restrictions for Settlement Plaza, Phase III (also known
as Settlement Village, Phase III)" recorded as Document No. D204124430 of the Deed Records of
Tarrant County, Texas (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the Declarant
to manage or regulate the planned development covered by the Declaration, which development is
more particularly describe on Exhibit "A" attached hereto an incorporated herein by reference; and

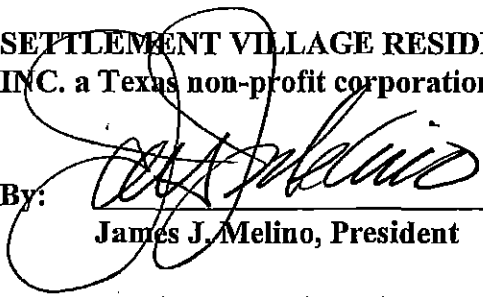
WHEREAS, Section 202.006 of the Texas Property Code provides that a property owners'
association must file each dedicatory instrument governing the association that has not been
previously recorded in the real property records of the county in which the planned development is
located; and

WHEREAS, the Association desires to record the attached dedicatory instruments in the real
property records of Tarrant County, Texas, pursuant to and in accordance with Section 202.006 of
the Texas Property Code.

NOW, THEREFORE, the dedicatory instruments attached hereto as Exhibit "B" are true
and correct copies of the originals and are hereby filed of record in the real property records of
Tarrant County, Texas, in accordance with the requirements of Section 202.006 of the Texas
Property Code.

IN WITNESS WHEREOF, the Association has caused this Notice to be executed by its duly authorized agent as of the date first above written.

SETTLEMENT VILLAGE RESIDENTIAL ASSOCIATION,
INC. a Texas non-profit corporation

By: 

James J. Melino, President

ACKNOWLEDGMENT

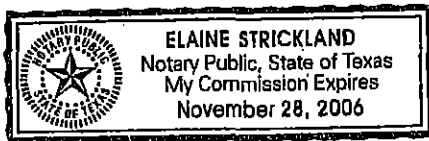
STATE OF TEXAS §

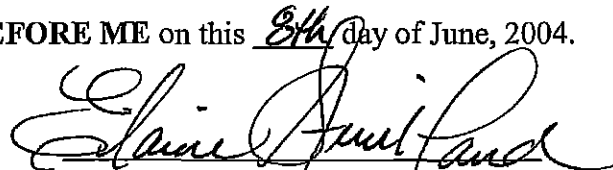
§

COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared James J. Melino, President of Settlement Village Residential Association, Inc., a Texas non-profit corporation, known to me to be the person whose name is subscribe to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 8th day of June, 2004.




Notary Public, State of Texas

My Commission Expires

AFTER RECORDING, RETURN TO:

James J. Melino
8235 Douglas Avenue
Suite 650, LB-65
Dallas, Texas 75225

EXHIBIT A

BEING a tract of land situated in the P. CALDWELL SURVEY, Abstract No. 365, City of Fort Worth, Tarrant County, Texas, and being part of West/Loop 820 Partners, Volume 12927, Page 38, Deed Records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with yellow cap marked "Dunaway Assoc. Inc" found on the Westerly right-of-way line of Expedition Drive (90 feet right-of-way), and for the Northeast corner of Lot 73, Block 4 of Settlement Plaza Addition, according to the plat recorded in Cabinet A, Slide No. 7757, Plat Records, Tarrant County, Texas;

THENCE North 88 degrees 56 minutes 54 seconds West, leaving said right-of-way line and with the North line of said Block 4, 786.45 feet to a 1/2 inch iron rod found in the Easterly line of Block 1, White Settlement Commercial Addition, according to the plat recorded in Cabinet A, Slide 827 of said Plat Records, same being the beginning of a non-tangent curve to the left having a central angle of 11 degrees 27 minutes 05 seconds, a radius of 1800.00 feet, and a long chord bearing and distance of North 22 degrees 09 minutes 41 seconds West, 359.16 feet;

THENCE in a Northwesterly direction, with the arc of said curve to the left and the Easterly line of said Block 1, 359.76 feet to a 1/2 inch iron rod found with a yellow cap stamped "Beasley" for the Southerly corner of a tract described in the deed to Sue S. Shelton, recorded in Volume 12254, Page 1888 of said Deed Records;

THENCE North 00 degrees 51 minutes 01 second East, with the Easterly line of said Shelton tract, a distance of 750.56 feet to a 1/2 inch iron rod found for the beginning of a nontangent curve to the left, having a central angle of 16 degrees 25 minutes 39 seconds, a radius of 632.62 feet, and a long chord bearing and distance of North 81 degrees 43 minutes 50 seconds East, 180.76 feet;

THENCE in an Easterly direction, with the arc of said curve to the left, 181.38 feet to a 1/2 inch iron rod found;

THENCE North 00 degrees 35 minutes 50 seconds East, 15.00 feet to a 1/2 inch iron rod found;

THENCE South 89 degrees 24 minutes 10 seconds East, 361.59 feet to a 5/8 inch iron rod set;

THENCE South 00 degrees 51 minutes 01 seconds West, 468.53 feet to a 5/8 inch iron rod set;

THENCE South 27 degrees 18 minutes 45 seconds East, 135.53 feet to a 5/8 inch iron rod set;

THENCE South 88 degrees 56 minutes 54 seconds East, 284.18 feet to a point on the Westerly right-of-way line of said Expedition Drive, same being the beginning of a nontangent curve to the left, having a central angle of 25 degrees 30 minutes 55 seconds, a radius of 1226.13 feet, and a long chord bearing and distance of South 03 degrees 14 minutes 53 seconds East, 541.52 feet;

THENCE in a Southerly direction, with the arc of said curve to the left and said Westerly right-of-way line, 546.02 feet to the POINT OF BEGINNING and containing 767,890 square feet or 17.628 acres of land, more or less.

EXHIBIT "B"

DEDICATORY INSTRUMENTS

1. Bylaws of Settlement Village Residential Association, Inc.
2. Articles of Incorporation of Settlement Village Residential Association, Inc.

**BYLAWS
OF SETTLEMENT VILLAGE RESIDENTIAL ASSOCIATION, INC.**

The name of the Association is "Settlement Village Residential Association, Inc." The principal office of the Association shall be located at **8235 Douglas Avenue, Suite 650, LB-65, Dallas, Texas 75225**, or such other location as the Board of Directors (herein so called) of the Association may direct from time to time.

**ARTICLE I
PURPOSE**

The Association is a non-profit corporation organized under the laws of the State of Texas for the specific purposes of providing for the common services, maintenance, preservation and architectural control regarding the residential lots, common areas and other facilities pertaining to **Settlement Plaza, Phase III**, an addition to the City of Fort Worth, Tarrant County, Texas, as shown on the Final Plat thereof to be recorded in the Plat Records of Tarrant County, Texas, together with any additional property later annexed into the **Settlement Plaza Subdivision**, all as more particularly set forth and described in that certain Declaration of Covenants, Conditions and Restrictions for **Settlement Plaza, Phase III (also known as Settlement Village, Phase III)** dated as of April 21, 2004, and to be recorded in the Real Property Records of Tarrant County, Texas (as modified and amended from time to time, the "Declaration"), and to execute and perform all powers, duties and functions as provided in said Declaration, and to enforce the provisions thereof.

**ARTICLE II
DEFINITIONS**

The definitions contained in the Declaration are incorporated herein by reference for all purposes, and all capitalized terms used herein shall have the same meaning as set forth in the Declaration unless and except as otherwise provided herein or defined herein.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN
THE ASSOCIATION**

3.01. Membership. Each and every Owner of a Lot shall automatically be a Member of the Association without necessity of any further action on such Owner's part, subject to the terms of the Declaration, the Articles of Incorporation and these Bylaws of the Association, and the Rules and Regulations (herein so called) from time to time promulgated by the Association. Membership of an Owner in the Association shall be appurtenant to, and may not be separated from, the interest of such Owner in and to the Lot or Lots owned by such Owner. Each Member shall be either a Class A or a Class B Member as provided in the Declaration, and each member's voting rights and other privileges are subject to, and may be regulated or suspend as provided in, the Declaration, the Articles of Incorporation, these Bylaws and/or the Rules and Regulations.

3.02. Transfer. Membership of an Owner in the Association may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of said Owner's interest in all or any part of such Owner's Lot or Lots and then only to the purchaser or assignee as the new Owner thereof. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no force or effect, and will not be reflected upon the books and records of the Association. Each new Owner shall provide the Association with written notice of any transfer of the fee title to a Lot to such new Owner setting forth the name, address, Lot, and the exact name in which title to the Lot in question is held, and, if title is held in more than one name, shall be executed by all record Owners and shall designate the person or persons who are authorized to vote on behalf of such multiple Owners. A copy of the deed(s) or other instrument(s) of conveyance shall also be provided to the Association as provided in the Declaration. Upon receipt of such written notice, the Association will transfer membership to the new Owner thereof upon the books and records of the Association. It shall be the responsibility of each new Owner to provide the notice and such other documentation as provided herein and to assure that the change in membership is so reflected on the books and records of the Association. The Association shall not be obligated to provide any notice to, recognize the vote of, or provide any other function or benefit to, a new Owner unless and until such written notice and such other documentation is provided to the Association.

3.03. Member in Good Standing. Only those Members who are Members in Good Standing in accordance with the Declaration shall be entitled to vote on any Association related matter upon which a vote of the Members is required or permitted.

3.04. Multiple Owner Votes. Votes hereunder may not be cast on a fractional basis between multiple Owners of a Lot. The Association shall not be required to recognize the vote of any such multiple Owners except the vote of the person or persons designated in writing executed by all of such multiple Owners and delivered to the Association as provided in Section 3.02 hereof. The Association shall be entitled to rely on such written designation unless and until a subsequent written designation executed by all such multiple Owners is received by the Association.

3.05. Quorum, Notice and Voting Requirements. Subject to the provisions of the Declaration which specify certain notice, quorum or voting requirements, including, but not limited to, the provisions therein requiring a Special Quorum, and the provisions therein requiring the approval of certain actions by the Class B Member, all other action required or permitted to be taken by the Members shall require the assent of a majority of the votes of a Regular Quorum of Members in Good Standing entitled to vote (both classes voting together), voting either in person or by proxy at a meeting duly called for that purpose, and at which meeting a Regular Quorum is present. Written notice of a meeting of the Members shall be given to all Members not less than fifteen (15) nor more than forty-five (45) days in advance and shall set forth the date, time, location and purpose of such meeting. Such notices shall be sent by the Association to the Members of record on the date one (1) day prior to the date of such notice as shown on the books and records of the Association, and shall be delivered either personally, by facsimile transmission, or by mail, by or at the direction of the President (herein so called), or the Secretary (herein so called), or any other officer or person calling the meeting. In all instances where specific quorum requirements are not provided in the Declaration, Members holding ten percent (10%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. The vote of a 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 unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these Bylaws.

3.06. Special Meetings. Special meetings of the Members may be called at any time by a majority of a quorum of the Board of Directors or upon receipt by the Board of Directors of a written request for a special meeting signed by Members representing at least thirty-five percent (35%) of the total voting power of the Members in the Association (both classes taken together). Only business within the purpose or purposes described in the notice of special meeting may be conducted at such special meeting. Additionally, such special meeting shall be conducted within forty-five (45) days following the date of receipt by the Board of Directors of the notice of special meeting which meets the requirements of this Section 3.06.

3.07. Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and shall automatically cease upon conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, and in no event shall any proxy remain irrevocable for more than eleven (11) months.

3.08. Action Without Meeting by Written Consent. Any action which may be taken by the vote of the Members at an annual or special meeting, may be taken without a meeting, and without notice or a vote, by written consent of a majority of Members in Good Standing entitled to vote (both classes voting together).

3.09. Action by Written Ballot. The Board of Directors is hereby expressly authorized to distribute with each notice of an annual or special meeting of the Members a written ballot to every Member entitled to vote on the matter or matters which are the subject of such meeting. The ballot shall set forth each proposed action and provide an opportunity for the Member to specify approval or disapproval of each proposal. In addition, such ballot may provide that such Member's vote is to be cast for a given proposal in the manner to be recommended by the Board of Directors. Any such ballot shall constitute a proxy in favor of the Board of Directors and shall be voted by the Board of Directors in accordance therewith. Ballots returned which authorize the vote for one (1) or more proposals to be cast as recommended by the Board of Directors shall be cast, either for or against, as recommended by a majority of a quorum of the directors at a meeting of the Board of Directors which shall be held immediately prior to the scheduled meeting of the Members. Votes cast by ballot as provided herein shall in all respects be treated as votes cast by proxy, including, without limitation, in the determination of the existence of a Regular Quorum or Special Quorum, and shall be cast by the Board of Directors simultaneously with the votes being cast by the Members actually present, in person, or by other proxy, at the meeting. Ballots submitted by Members who are not Members in Good Standing shall not be voted.

3.10. Annual Meetings. Commencing in the year 2006 (or sooner upon the determination of the Class B Member), and in each year thereafter, an annual meeting of the Members shall be held no later than ninety (90) days after the closing of each fiscal year of the Association. The date, time and place of such annual meeting will be set by the Board of Directors, provided that an annual meeting may not take place on a Sunday or on a legal holiday.

3.11. Voting List. After fixing the record date as provided in Section 3.05 herein, the Secretary of the Association shall prepare an alphabetical list of the names of all Members entitled to notice of the meeting and setting forth the address and number of votes each Member is entitled to cast at the meeting. In addition, the list shall include and designate the names and addresses of those Members (if any) entitled to vote at the meeting, but who are not entitled to notice of the meeting. The voting list prepared as provided above shall be prepared not later than two (2) business days after the date of the notice of the meeting, and shall be made available for inspection by any Member entitled to vote at the meeting at the principal place of business of the Association or a reasonable place identified in the notice of the meeting up to and through the meeting. The voting list shall also be available for inspection at the meeting.

ARTICLE IV BOARD OF DIRECTORS

4.01. Number. The affairs of the Association shall be managed by a Board of Directors consisting of three (3) directors as selected by the Members from time to time as provided herein and who need not be Members of the Association. The number of directors shall not be decreased and the number of directors may be increased only by an amendment of these Bylaws. Subject to Section 4.03 hereof, the initial Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting of the Members. In case of the resignation, death, failure to act, incapacity or refusal to serve of any of said initial directors prior to said time, the remaining directors may appoint a substitute director or directors to serve the remainder of said period.

4.02. Term of Office. Except as specifically set forth above in Section 4.01, commencing at the first (1st) annual meeting of the Members, a new Board of Directors (which may include one or more members of the initial Board of Directors) shall be elected at the annual meeting of the Members, two of whom shall hold office for a term of two (2) years and the remainder of whom shall hold office for a term of one (1) year. Thereafter, the term of office for each Director shall be fixed at two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided herein. The terms of directors may be changed by amendment to these Bylaws.

4.03. Resignation; Removal. Any director may resign by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of such notice by the Board of Directors 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. Any director may be removed from the Board of Directors with or without cause, by a majority vote of the Members in Good Standing (both classes voting together) of the Association at a special meeting held for such purpose.

4.04. Vacancies. Vacancies on the Board of Directors shall be filled according to the following provisions:

(a) Vacancies by Death, Failure, Incapacity, Refusal or Resignation. In the event of the death, failure to act, incapacity, refusal to serve or resignation of a director, a successor director shall be elected by a majority of the remaining members of the Board of Directors and shall serve for the unexpired term of such director.

(b) Vacancies by Removal. Vacancies created by removal of a director shall be filled by the vote of a majority vote of Members in Good Standing (with all classes voting together) at a meeting called for such purpose.

(c) Vacancy by Reason of an Increase in the Number of Directors. Subject to Declarant's right to appoint the Board of Directors pursuant to the Declaration and Section 4.01 hereof, any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual or special meeting of the Members called for such purpose and in the manner provided herein for election of directors.

4.05. No Compensation. No director shall receive compensation for any service that any such director may render to the Association. Each director may be reimbursed for actual expenses incurred in the performance of the director's duties.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

5.01. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee (herein so called). Nominations may also be made from the floor at the annual meeting of Members. The Nominating Committee shall consist of a Chairman (herein so called), who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than sixty (60) days prior to each annual meeting of the Members, to serve until the close of such annual meeting of the Members. The Nominating Committee shall solicit and make as many nominations for election to the Board of Directors as it shall determine in its sole and exclusive discretion, but not less than the number of vacancies that are to be filled. Such nominations shall be made on or before the date of notice of the meeting, and may be included on the ballots to be submitted with any such notice as provided in Section 3.09 hereof.

5.02. Election of the Board Directors. The first (1st) election of the Board of Directors shall be conducted at the first (1st) annual meeting of the Members of the Association. All open positions on the Board of Directors shall be filled at such first (1st) annual meeting and at each subsequent annual meeting of the Members. Each Member in Good Standing shall be entitled to cast the total number of votes which such Member is entitled to cast for each vacancy to be filled; cumulative voting shall not be permitted. The nominees receiving the largest number of votes of Members shall be elected to the Board of Directors.

ARTICLE VI MEETINGS OF DIRECTORS

6.01. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board of Directors may establish. The date, place and hour of each such meeting shall be fixed from time to time by resolution of the Board of Directors. Notice of the regular meetings of the Board of Directors need not be given.

6.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two (2) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be sent to all directors either personally, by mail or by telefax not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided that notice of the meeting need not be given to directors who have signed a waiver of notice or a written consent to the holding of the meeting. An officer of the Association shall make reasonable efforts to notify all directors of the meeting by telephone.

6.03. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors. Directors present by proxy may not be counted toward a quorum.

6.04. Action Without A Meeting and Telephone Meetings. Notwithstanding anything contained herein to the contrary, the Board of Directors may take action without a meeting if all of its members consent in writing to the action to be taken. Furthermore, members of the Board of Directors may hold duly called meetings between directors by telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 6.04 shall constitute presence in person at the meeting. In addition, the Board of Directors may take action by less than unanimous consent by written consent in lieu of an actual meeting to the extent and in the manner provided in the Articles of Incorporation.

6.05. Deadlock of Directors. In any matter upon which the vote of the directors present is evenly divided, the President shall be given an additional vote with which to break the deadlock of the directors solely on the matters on which the deadlock has occurred.

ARTICLE VII GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

The affairs of the Association shall be conducted by the Board of Directors of the Association. In addition to the powers and duties enumerated in the Declaration, or elsewhere provided herein, the Board of Directors of the Association, for the mutual benefit of the Members of the Association, shall at all times have the power, if, as, and when the Board of Directors, in its sole and exclusive discretion deems necessary, to take any and all such action to enforce the terms and provisions of the Declaration, the Articles of Incorporation and the Bylaws of the Association by appropriate means and to carry out the obligations of the Association as set forth in the Declaration, including, without limitation, the expenditure of funds of the Association, the employment of legal counsel and accounting services, the commencement or defense of legal actions and the promulgation and enforcement of the Rules and Regulations. The Board of Directors may, by resolution passed by a majority of a quorum of the Board of Directors, designate one (1) or more committees comprised of two (2) or more Members to examine specific issues of concern to the Association and to report, and make recommendations, to the Board of Directors pertaining thereto. The Board of Directors may, by adoption of such action in accordance with the provisions of these Bylaws, delegate specific Association management responsibilities to an authorized person or entity; provided, however, such delegation shall not relieve or release the Board of Directors of any duty to oversee, manage or direct the business and affairs of the Association.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

8.01. Officers. The officers of the Association shall be as follows and shall be either Members of the Association or members of the Board of Directors:

- (a) A President, who shall at all times be a member of the Board of Directors;
- (b) A Secretary, who may or may not be a member of the Board of Directors; and
- (c) Such other officers as the Board of Directors may from time to time by resolution create, including, but not limited to, one (1) or more Vice Presidents (herein so called) and a Treasurer (herein so called), each of whom may or may not be members of the Board of Directors.

8.02. Election of Officers. The election of officers shall take place at the first (1st) regular meeting of the Board of Directors following each annual meeting of the Members.

8.03. Terms. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.04. Special Appointments. The Board of Directors may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, having such authority, and perform such duties as the Board of Directors may, from time to time, determine.

8.05. Resignation, Removal and Disqualification. Any officer may be removed from office by the Board of Directors with or without cause. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An officer shall become disqualified to serve if during such officer's term of office, such officer fails to meet the qualifications contained in Section 8.01 hereof.

8.06. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer unless otherwise designated by the Board of Directors.

8.07. Multiple Offices. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

8.08. Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors, and shall see that orders and resolutions of the Board are carried out.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required from time to time by the Board of Directors.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members, serve notice of meetings of the Board of Directors and the Members, keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform other such duties as required from time to time by the Board of Directors.

(d) 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 of Directors, and shall coordinate and oversee the maintenance of the Association's financial books and records.

8.09. Execution of Instruments. The President, Vice President, Secretary and Treasurer, subject to the approval of the Board of Directors, may enter into any contract or execute and deliver any instrument in the name and on behalf of the Association. The Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association and such authorization may be general or confined to specific instances.

8.10. No Compensation. No officer shall receive compensation for any service that any such officer may render to the Association. Each officer may be reimbursed for actual expenses incurred in the performance of the officer's duties.

ARTICLE IX FINANCIAL REPORTS

The following financial information for the Association shall be prepared and distributed to each Member on an annual basis:

(a) Budget. An annual budget for each fiscal year shall be distributed to each Member on or before the end of the immediately preceding fiscal year or as soon thereafter as can reasonably be done, and shall include projected expenses for the Association for the ensuing year, and the amount of the Per-Lot Regular Assessment Amount for the ensuing year for each Lot as provided in the Declaration.

(b) Annual Report. An unaudited annual report shall be distributed to each Member on or before the date of the annual meeting of the Members and shall include a balance sheet as of the end of the preceding fiscal year, and an operating and income statement for the preceding fiscal year.

ARTICLE X
BOOKS AND RECORDS

The Association shall maintain books of account and current financial records made with respect to all financial transactions of the Association. The Association shall also maintain a membership register and records of the minutes and proceedings of the Board of Directors, the Members, and the Architectural Control Committee or other committees which may be established from time to time. The books, records and accounts of the Association shall, at reasonable times upon reasonable written notice, be subject to inspection by any Member at such Member's sole cost and expense. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, and copies of such documents may be purchased from the Association at a reasonable cost.

ARTICLE XI
ASSESSMENTS

Each owner of any Lot, by acceptance of a deed or other conveyance document creating in such owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance document, shall be deemed to covenant and agree to pay the Assessments, Special Member Assessments, Violation Fines and all other assessments and charges as provided in the Declaration, such assessments and charges to be fixed, established and collected from time to time as therein provided.

ARTICLE XII
AMENDMENTS

These Bylaws may be amended or changed at a regular or special meeting of the Board of Directors unless the Association Documents or the Texas Non-Profit Corporation Act (the "Act") expressly reserves such power to the Members with respect to a specific matter, or if the Members in amending, repealing, or adopting a particular bylaw expressly provides that the Board may not amend or repeal that particular bylaw. The Articles of Incorporation may be amended from time to time as provided in the Act and the Declaration may be amended in accordance with the provisions thereof.

ARTICLE XIII
INDEMNIFICATION AND LIABILITY OF OFFICERS AND DIRECTORS

Section 13.01. Indemnification. The Association shall indemnify any person who is or was a director, officer, agent or employee of the Association in accordance with the following provisions:

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

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

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

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

(ii) reasonably believed:

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

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

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

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

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

(i) by the Board of Directors by a majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding; or

(ii) if such quorum cannot be obtained, by a majority vote of a special committee designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(iii) by special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in subparagraphs (i) or (ii) above, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

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

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

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

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

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

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

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

Section 13.02. Other. The Board of Directors, officers, or representatives of the Association shall enter into contracts or other commitments as agents for the Association, and they shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners).

Section 13.03. Interested Directors and Officers. Contracts and other transactions between the Association and its Directors or officers shall be subject to the following provisions:

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

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

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

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

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

ARTICLE IV MISCELLANEOUS

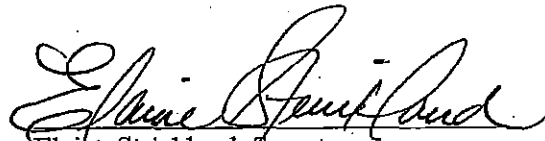
14.01. Fiscal Year. The fiscal year of the Association may be established by the Board of Directors from time to time. Until changed by the Board of Directors, the fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first (1st) fiscal year shall begin on the closing and funding of the first (1st) sale of a Lot.

14.02. Notices. Any notice required to be given to any Member hereunder and for which no provision is made as to how the notice shall be given, may be given in writing by mail, addressed to such Member at the address as it appears on the records of the Association, with postage thereon prepaid, or in any other method permitted by applicable law. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be deposited in the United States mails. Notice to the Association shall be given in accordance with the Declaration.

14.03. Interpretation. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. Notwithstanding any such conflicts, to the extent reasonably practical, the Articles of Incorporation, Bylaws and Declaration shall be construed and interpreted together as consistent and non-conflicting documents, such being the intent hereof and thereof.

CERTIFICATION

I, the undersigned, the duly elected and acting Secretary of **Settlement Village Residential Association, Inc.**, a Texas non-profit corporation, do hereby certify that the foregoing Bylaws were adopted by the Board of Directors of the Association as the Bylaws of said Association as of April 22, 2004.


Elaine Strickland, Secretary

APR 22 2004

Corporations Section

ARTICLES OF INCORPORATION
OF
SETTLEMENT VILLAGE RESIDENTIAL ASSOCIATION, INC.

The undersigned, a natural person of the age of eighteen (18) years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act (the "Act"), hereby adopts the following Articles of Incorporation (the "Articles") for such corporation:

ARTICLE I
NAME

The name of the corporation is **Settlement Village Residential Association, Inc.** (hereinafter referred to as the "Association").

ARTICLE II
NON-PROFIT CORPORATION

The Association is a non-profit corporation.

ARTICLE III
DURATION

The period of the Association's duration is perpetual.

ARTICLE IV
PURPOSE

The Association is organized for the specific purposes of providing for the common services, maintenance, preservation and architectural control regarding the residential lots, common areas and other facilities pertaining to **Settlement Plaza, Phase III**, an addition to the City of Fort Worth, Tarrant County, Texas, as shown on the Final Plat thereof to be recorded in the Plat Records of Tarrant County, Texas, together with any additional property later annexed into the **Settlement Plaza Subdivision**, all as more particularly set forth and described in that certain Declaration of Covenants, Conditions and Restrictions for **Settlement Plaza, Phase III (also known as Settlement Village, Phase III)** dated as of April 21, 2004, and to be recorded in the Real Property Records of Tarrant County, Texas, as modified and amended from time to time (the "Declaration"), and to execute and perform all powers, duties and functions as provided in said Declaration, and to enforce the provisions thereof.

ARTICLE V
POWERS

Except as otherwise expressly provided in these Articles, the Declaration or the Bylaws (herein so called) of the Association, the Association shall have all of the powers provided in the Act.



ARTICLE VI,
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is **8235 Douglas Avenue, Suite 650, LB-65, Dallas, Texas 75225**, and the name of its initial registered agent at such address is **Charles J. Wilson**.

ARTICLE VII
BOARD OF DIRECTORS

The qualifications, manner of selection, duties, terms and other matters relating to the Board of Directors (herein so called) of the Association shall be as provided in the Declaration and in the Bylaws of the Association. The number of directors constituting the initial Board of Directors is three (3), and the names and addresses of the persons who are to serve as initial directors are:

James J. Melino
8235 Douglas Avenue
Suite 650, LB-65
Dallas, Texas 75225

Gary DeFrain
8235 Douglas Avenue
Suite 650, LB-65
Dallas, Texas 75225

Charles J. Wilson
8235 Douglas Avenue
Suite 650, LB-65
Dallas, Texas 75225

ARTICLES VIII
MEMBERSHIP

Every record owner of a residential lot within **Settlement Plaza, Phase III** (also known as **Settlement Village, Phase III**), shall automatically be, and must remain, a Member (herein so called) of the Association as provided in the Declaration. Each Member shall either be a Class A Member or a Class B Member as provided in the Declaration and shall have the relative voting rights, duties and obligations as provided in the Declaration and in the Bylaws of the Association.

ARTICLE IX
INCORPORATOR

The name and address of the incorporator is:

Name

Address

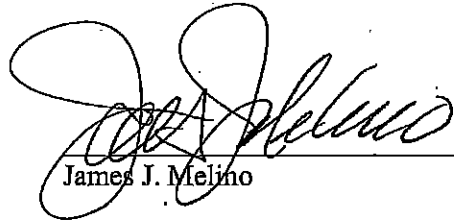
James J. Melino

8235 Douglas Avenue
Suite 650, LB-65
Dallas, Texas 75225

ARTICLE X
LIMITATION ON LIABILITY OF DIRECTORS, OFFICERS
AND COMMITTEE MEMBERS INDEMNIFICATION

No director, officer or committee member (including, without limitation, architectural control committee members) of the Association shall be liable to the Association or any Member (or anyone else) for monetary damages (or otherwise) for any act or omission in such director's, officer's or committee member's capacity as director, officer or committee member of the Association except to the extent expressly required by applicable law. The Association shall indemnify every person who was, is, or is threatened to be made, a named defendant or respondent in any litigation or other proceedings because any such person is or was a director, officer, committee member or other person related to the Association to the fullest extent permitted by applicable law.

IN WITNESS THEREOF, the undersigned incorporator has executed these Articles this 21st day of April, 2004.


James J. Melino

Return To: West/Lap 800 Partners
8235 Douglas Ave. #600, UB-65
Dallas, TX 75225

Jjm\Doc\0104\Articles-HOA Settlement Plaza III