

**BYLAWS OF
THE OLD FARM HOUSE ESTATES
HOMEOWNERS' ASSOCIATION, INC.**
(A Texas Non-Profit Corporation)

**ARTICLE I
DEFINITIONS**

1.01 Definitions.

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

(b) "Lot" or "Lots" shall mean and refer to the individual platted building lots depicted on the plat of the property, filed for record in the Real Property Records of Ellis County, Texas, Under Book E, Page 130, excluding open space, streets, alleys, and any common area or areas of common responsibility. Where the context requires or indicates, the term Lot shall include the home and all other improvements which are or will be constructed on the Lot.

**ARTICLE II
NAME**

2.01 Name. The name of this corporation shall be The Old Farm House Estates Homeowners Association, Inc. (hereafter called the "Association").

**ARTICLE III
OFFICES OF THE ASSOCIATION**

3.01 Principal Office. The principal address of the Association is:
P.O. Box 1322, Midlothian, Texas 76065, but meetings of members and directors may be held at such place within the State of Texas as may be designated by the Board of Directors.

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

**ARTICLE IV
ASSOCIATION RESPONSIBILITIES AND
MEETINGS OF MEMBERS**

4.01 Association Responsibilities. The members will constitute the Association, which may administer and enforce the covenants, conditions, and restrictions contained in the declaration of covenants, conditions and restrictions filed for record in the Real Property Records of Ellis County, Texas, under Book E, Page 130 (the "Declaration") applicable to the Old Farm House Estates, Section 2, Subdivision (the "Subdivision") and may coordinate with other homeowners associations in the adjacent subdivisions in administering and enforcing such covenants, conditions and restrictions through their respective boards of directors. Without limiting the foregoing, the Association is organized and operated:

- (1) to engage in residential real estate management;
- (2) to provide for the acquisition, construction, management, maintenance, and care of property nominally owned by the Association and held for the use, benefit, and enjoyment of its members;
- (3) such that 60 percent or more of the gross income of the Association shall consist of amounts received as membership dues, fees, or assessments from owners of residences or residential lots within the area subject to the jurisdiction and assessment of the organization;
- (4) such that 90 percent or more of the expenditures of the Association shall be made for the purpose of acquiring, constructing, managing, maintaining, and caring for the property nominally held by the Association.
- (5) such that each member of the Association shall own an easement, a license, or other non-revocable right for the use and enjoyment on an equal basis of all property nominally owned by the Association even if the right is subject to a restriction imposed by the instruments conveying the right or interest or granting the easement or subject to a rule, regulation, or bylaw imposed by the Association pursuant to authority granted by the certificate of formation, the declaration of covenants, conditions and restrictions, or the bylaws of the Association;
- (6) such that the net earnings of the Association do not inure to the benefit of any member of the Association or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property or by a rebate of excess membership dues, fees, or assessments; and
- (7) such that the Association qualifies for taxation under Section 1301 of the Tax

Reform Act of 1976, Section 528 of the Internal Revenue Code of 1954, as amended, entitled "Certain Homeowners Associations."

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

4.03 Annual Meetings. An annual meeting of the members of the Association must be held on a time and date, determined by the Board, between January 15th and February 15th each year. At such meetings, there shall be elected a Board of Directors by ballot of the members in accordance with the requirements of Article V of these bylaws. The members may also transact such other business of the Association as may properly come before them at such meeting.

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

4.05 Notice of Meetings. Written or printed stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Secretary of the Association not less than fifteen (15) no more than thirty (30) days before the date of the meeting, either personally or by mail, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the books of the Association with postage thereon prepaid. Business transacted at any special meeting shall be confined to the purposes stated in the notice or waiver thereof.

4.06 Quorum. The holders of twenty five percent (25%) of all the votes entitled to be cast by Members of the Association, represented in person or by proxy, shall constitute a quorum for any meetings of members.

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

4.08 Voting by Association and Members. The Association shall not be a voting member of the Association by virtue of its ownership of any lot. Each member may vote the number of votes and in the manner set forth in the declaration of covenants, conditions and restrictions.

ARTICLE V BOARD OF DIRECTORS

5.01 Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors consisting of at least three (3) persons who are members of the Association.

5.02 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the lands owned by the Association in keeping with the character and quality of the area in which it is located. The business and affairs of the Association shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Certificate of Formation, these Bylaws or the declaration of covenants, conditions and restrictions directed or required to be exercised or done by the members.

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

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

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

Association shall be filled in the manner set forth in section 5.06 hereof.

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

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

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

5.09 Meeting by Telephonic or Internet Means. Members of the Board of Directors may participate in a meeting by means of conference telephone, web meeting or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 5.09 shall constitute presence in person at the meetings.

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

5.11 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors in office shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Directors present by proxy may not be counted toward a quorum.

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

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

ARTICLE VI OFFICERS

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

6.02 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors, and such new officers shall hold office subject to the continuing approval of the Board of Directors. After the annual meeting, it is the previous outgoing board's responsibility to provide new board members with any and all documents, passwords, mailbox key, passwords to social media accounts, bank log in information and checking signing capabilities, and any software files or records for banking by March 1.

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

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

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

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

6.07 Secretary.

(a) The Secretary shall keep all the minutes of the meetings of the Board of Directors and the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct.

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

6.08 Treasurer.

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

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

**ARTICLE VII
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

7.01 Indemnification.

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

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

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

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

(ii) reasonably believed:

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

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

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

The termination of a proceeding by judgment, order, settlement or conviction, or upon plea of nolo contendere or its equivalent will not, of itself, create a presumption that such person failed to satisfy the standard contained in the 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 quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding; or

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

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

(e) Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel,

determination as to reasonableness of expenses must be made in the manner specified by subparagraph (d)(iii) above for the selection of special legal counsel.

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

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

(h) The indemnification and advance payment provided by paragraphs (a) through (f) above will continue as to person who has ceased to hold apposition 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 payment 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 payment 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 provision shall be treated and handled by the Association as an expense subject to special assessment,

ARTICLE VIII AMENDMENTS TO BYLAWS

8.01 Amendment to Bylaws. These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy. In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation shall control, and in the case of any conflict between the the declaration of covenants, conditions and restrictions and these Bylaws, the Declaration shall control.

ARTICLE IX EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS

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

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

ARTICLE X GENERAL

10.01 Books and Records. The books, records, and accounts of the Association shall, at reasonable times upon reasonable written notice, be subject to inspection by any member at such members sole cost and expense. The declaration of covenants, conditions and

restrictions, the Certificate of Formation, 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 document may be purchased from the Association at a reasonable cost.

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

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

10.05 Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article or Section of these Bylaws be in conflict with the provisions of the Code or any other Texas law, such Code or law shall control, and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall be valid and operative.

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

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