

**Documents For
Liberty
Homeowners
Association, Inc.**

Articles of Incorporation

(Articles OF Inc. were filed by Charles Spencer 8/5/2003 Filing Number 800235040. EE)

EXHIBIT "C"

ARTICLES OF INCORPORATION

OF

LIBERTY HOMEOWNERS ASSOCIATION, INC.

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

ARTICLE I

NAME

The name of the corporation is Liberty Homeowners Association, Inc. hereinafter called the "Association". [The defined terms in these Articles shall have the meanings set forth in the Declaration (hereinafter defined).]

ARTICLE II

NON-PROFIT STATUS

The Association is a non-profit corporation.

ARTICLE III

DURATION

The period of its duration is perpetual.

ARTICLE IV

PURPOSES AND POWERS

1. The Association is organized and shall be operated exclusively as a homeowners' association within the meaning of Section 528 of the Internal Revenue law or laws (the "Code"). The specific and primary purposes for which it is formed are to provide for maintenance, preservation of the Common Properties and architectural control of the residential Lots and Common Properties (the "Property") described in the Declaration, and

to promote the health, safety, and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association; and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for LIBERTY, Collin County, Texas, as amended or supplemented from time to time, hereinafter called the "Declaration", applicable to the Property as recorded in the records of the Office of the County Clerk of Collin County, Texas, such declaration being incorporated herein; and

(b) have and to exercise any and all powers, rights and privileges, which a corporation organized under the Texas, Non-Profit Corporation Act by law may now or hereafter have or exercise.

ARTICLE V

REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Association is 17480 Dallas Parkway, Suite 200, Dallas, Texas 75287, and the name of its initial registered agent at such address is Angie Waddle.

ARTICLE VI

MEMBERSHIP

The Association shall have Members.

ARTICLE VII

INITIAL DIRECTORS

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 directors until the first annual meeting of the shareholders, or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Angie Waddle	17480 Dallas Parkway Suite 200, Dallas, Texas 75287
Fred Balda	17480 Dallas Parkway Suite 200,

Dallas, Texas 75287

Elaine Esparza

17480 Dallas Parkway
Suite 200,
Dallas, Texas 75287

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is:

Charles W. Spencer
8111 LBJ Freeway
Suite 920
Dallas, Texas 75251

ARTICLE IX

INDEMNITY

The Association shall indemnify, defend and hold harmless the Declarant, the Board, the Architectural Control Committee, Management Company, and each director, officer, employee and agent of the Declarant, the Board, the Architectural Control Committee and the Management Company from all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) incurred by such indemnified person under or in connection with the Declaration or the Properties to the fullest extent permitted by applicable law, such indemnity to include matters arising as a result of the sole or concurrent negligence of the indemnified party, to the extent permitted by applicable law.

ARTICLE X

LIABILITY OF DIRECTORS

A director of the Association shall not be liable to the Association or its Members for monetary damages resulting from an act or omission in his capacity as a director of the Association, except that this Article X does not authorize the elimination or limitation of the liability of a director to the extent the director is found liable for:

1. a breach of the director's duty of loyalty to the Association or its Members;

2. an act or omission not in good faith that constitutes a breach of duty of the director to the Association or an act or omission that involves intentional misconduct or a knowing violation of the law;

3. a transaction from which the director received an improper benefit (one to which he was not otherwise entitled in a capacity other than as director); or

4. an act or omission for which the liability of a director is expressly provided by an applicable statute.

The foregoing elimination of liability to the Association shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of these Articles of Incorporation, the bylaws of the Association, a contract or agreement, vote of directors, principle of law or otherwise. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any Association existing at the time of the repeal or modification. In addition to the circumstances in which a director of the Association is not liable to the full extent permitted by any amendment to the Texas Miscellaneous Corporation Laws Act or the Texas Non-Profit Corporation Act hereinafter enacted that further limits the liability of a director.

ARTICLE XI

CONSENT IN LIEU OF MEETING

Any action required by the statutes to be taken at any annual or special meeting of members or directors of the Association, or any action that may be taken at any annual or special meeting of the members or directors or of any committee, may be taken without a meeting, if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voting.

Prompt notice of the taking of any action by members, directors, or a committee without a meeting by less than unanimous written consent shall be given to all members, directors or committee members who did not consent in writing to the action.

A telegram, telex, cablegram, or similar transmission, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a director, member or committee member, shall be regarded as signed by such person for the purposes of this Article.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of July, 2003.

Charles W. Spencer
Charles W. Spencer, Incorporator

Bylaws

EXHIBIT "B"**BYLAWS****OF****LIBERTY HOMEOWNERS ASSOCIATION, INC.**

These Bylaws (referred to as the "Bylaws") govern the affairs of Liberty Homeowners Association, Inc., a non-profit corporation (referred to as the "Association") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

ARTICLE I**OFFICES****Principal Office**

1.01 The principal office of the Association in the State of Texas shall be located at 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240. The Association may have such other offices either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Association.

Registered Office and Registered Agent

1.02 The Association shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office shall be located in Dallas County, Collin County, or a contiguous county. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE 2**MEMBERS****Classes of Members**

2.01 The members of the Association shall consist of all lot owners in Liberty, including such additional phases of the Liberty community as may be added hereafter.

2.02 The Association shall have two (2) classes of members. Class A Members shall be all Members with the exception of Class B Members. Class A members shall have the voting rights provided in Section 2.2 of the Declaration of Covenants, Conditions, and Restrictions for Liberty, Melissa, Texas, recorded in the Real Property Records of Collin County, Texas (referred to herein as the "**Declaration**"). The Class B member shall be the Declarant and shall have the voting rights provided in Section 2.2 of the Declaration.

Conversion of Membership

2.03 Class B membership may cease and be converted to Class A membership at the option of the Class B member by written notice to the secretary of the Association and shall cease and be converted to Class A membership effective on the date set forth in said notice. If such option is not made, the Class B membership shall cease pursuant to the terms of Section 2.2 of the Declaration.

ARTICLE 3

ASSESSMENTS

Annual Assessment

3.01 The Board of Directors may set and charge annual assessments for the purpose of promoting the recreation, health, safety, enjoyment and welfare of the members in the properties and in particular, with the improvement and maintenance of the Common Areas and Common Facilities as such terms are defined by the Declaration.

(a) The maximum annual assessment may be increased each year not more than fifteen (15%) above the maximum assessment for the previous year without a vote of the membership as provided in Section 3.3(b) of the Declaration.

(b) The Board of Directors may fix the annual assessment at an amount less than or equal to the maximum. Annual assessments shall be due and payable on a date set by the Board of Directors. The Board may require the Annual Assessments to be paid in semi-annual payments.

Special Assessments

3.02 Pursuant to the provisions of Section 3.4 of the Declaration, and subject to the Member vote referenced therein if applicable, the Board of Directors may levy Special Assessments for Capital Improvements.

ARTICLE 4

MEMBERSHIP RIGHTS

Voting

4.01 Class A members shall have the voting rights provided in Section 2.2 of the Declaration. The Class B member shall have the voting rights provided in Section 2.2 of the Declaration.

When more than one (1) person holds a membership interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Sanction, Suspension, or Termination of Members

4.02 The Board of Directors may suspend a member and all occupants of the member's residence from use of the common area in the event a member fails to pay any assessment levied pursuant to the powers herein and such failure continues thirty (30) days after written notice from the Board of Directors to the member of default. All voting rights of an owner shall also be suspended during any period in which such owner is delinquent in the payment of any assessment duly established pursuant to the Declaration or the Bylaws, as more fully provided in Section 12.2 of the Declaration. The remedies and procedures employed by the Board shall be consistent and in compliance with Chapter 2.09 of the Texas Property Code effective as of January 2, 2002, and such other laws and regulations as may be applicable.

Transfer of Membership

4.03 Membership in the Association automatically transfers upon the recordation of a deed conveying ownership of any lot.

Waiver of Interest in Association Property

4.04 All real and personal property, including all improvements located on the Property, acquired by the Association shall be owned by the Association. A member shall have no interest in specific property of the Association. Each member hereby expressly waives the right to require partition of all or part of the Association's property.

ARTICLE 5

MEETINGS OF MEMBERS

Annual Meeting

5.01 The first annual meeting of the Members shall be fixed at a date, time, and place determined by the Board of Directors. Notice shall be given as provided in Section 5.04 below. Subsequent annual meetings of the Members shall be held on the same date each year as fixed by the Board of Directors at the first annual meeting unless subsequently changed by the Board. If the day fixed for the annual meeting is a Saturday, Sunday, or legal holiday in the state of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect those directors whose terms have expired and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a

special meeting of the members as soon thereafter as possible to conduct the election of directors.

Special Meetings

5.02 Special meetings of the members may be called by the president, the Board of Directors, or, after Class A members have voting control pursuant to the Declaration and these Bylaws, not less than fifteen percent (15%) of the voting members.

Place of Meeting

5.03 The Board of Directors may designate any place, in Collin County or a contiguous county, as the place of meeting for any annual meeting or for any special meeting of members called by the Board of Directors.

Notice of Meetings

5.04 Written or printed notice of any meeting of members, including the annual meeting, shall be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the Association, or the officers or persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice. The provisions relating to notices contained in Section 11.8 of the Declaration are incorporated herein by reference.

Quorum

5.05 The quorum requirements for meetings of members shall be those provided in Section 2.3 of the Declaration. The members present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting with notice as above provided and with a lesser quorum requirement as provided in Section 2.3 of the Declaration.

Actions of Membership

5.06 The membership shall try to act by consensus. However, the vote of a majority of voting members in good standing, present and entitled to vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law, the Declaration, or these Bylaws. A member in good standing is one who has paid all required fees and dues and is not

suspended as of the date of the notice of the meeting, as more particularly defined in Section 12.2 of the Declaration. Voting shall be by ballot or voice, except that any election of directors shall be by ballot if demanded by any voting member at the meeting before the voting begins.

Proxies

5.07 A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Voting by Mail, Facsimile, or Electronic Mail

5.08 The Board of Directors may authorize members to vote by mail, facsimile, or electronic mail on the election of directors and officers or on any other matter that may be voted on by the members. Further, a consent to any proposition may be authorized by the Board to be circulated for signature by the Members. The written consent of the requisite number of Members to authorize the action shall be the same as a vote taken at a duly called meeting; provided that notice of the proposition for which a request for consent is made will be given to all Members and an opportunity given to consent or object to the matter.

ARTICLE 6

BOARD OF DIRECTORS

Management of the Association

6.01 The affairs of the Association shall be managed by the Board of Directors.

Number, Qualifications, and Tenure of Directors

6.02 The initial Board of Directors shall have three (3) members. The number of Directors can be increased by a majority vote of a quorum attending an annual meeting or special meeting of Members called for that purpose. Directors shall be residents of Texas. Directors appointed by the Declarant need not be members of the Association. After control of the Association passes to the Class A Members as provided in Section 2.2 each Director must be a member of the Association. The initial Directors shall serve for a term of one (1) year or until Declarant appoints a replacement for a Director. After control is passed to the Class A Members a Board shall be elected in which one Director will serve for one (1) year and two members will serve for two (2) years. Thereafter each Director will be elected for a two (2) year term. If the Board is increased to five (5) Directors then two (2) will initially be elected for one (1) year and three (3) will be elected for two (2) years and thereafter each will be elected for two (2) years.

Nomination of Directors

6.03 At any meeting at which the election of a director occurs, a voting member in good standing may nominate a person with the second of any other voting member in good standing. In addition to nominations made at meetings, a nominating committee shall consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nominating committee, and any report of the committee, with the notice of the meeting at which the election occurs.

Election of Directors

6.04 A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the membership of the Association. In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. Each director shall hold office until a successor is elected and qualified. A director may be elected to succeed himself or herself as director.

Vacancies

6.05 Any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

Annual Meeting

6.06 The annual meeting of the members, after the initial annual meeting, may be held without notice provided it is held pursuant to Article 5.01, subject, however, to the provisions of Section 2.21 of the Declaration if applicable. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

Regular Meetings

6.07 The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the Association's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

Special Meetings

6.08 Special meetings of the Board of Directors may be called by or at the request of the president or any director. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Collin County or contiguous counties as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice to the directors as required in the Bylaws. The secretary shall give notice to the directors as required in the Bylaws.

Notice

6.09 Written or printed notice of any special meeting of the Board of Directors shall be delivered to each director not less than three (3) nor more than thirty (30) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

Quorum

6.10 A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

Duties of Directors

6.11 Directors shall exercise ordinary business judgment in managing the affairs of the Association. In acting in their official capacity as directors of this Association, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Association and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Association's best interests or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial statements and/or legal opinions provided by an accountant or attorney retained by the Association. General powers and duties of the Board are also provided in Article IV of the Declaration.

Actions of the Board of Directors

6.12 The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a director who is represented by proxy in a vote is considered present.

Proxies

6.13 A director may vote by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution.

Compensation

6.14 Directors shall not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to directors of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the Board of Directors. A director may serve the Association in any other capacity and receive compensation for those services.

Removal of Directors

6.15 The Board of Directors may vote to remove a director at any time, with or without good cause. A Meeting to consider the removal of a director may be called and notices following the procedures provided in the Bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Association shall consider possible arrangements for resolving the problems that are in the mutual interest of the Association and the director. A director may be removed by the affirmative vote of a majority of the Board of Directors.

Election by Class B Member

6.16 Notwithstanding the foregoing, as long as Class B membership exists, all directors shall be elected solely by the Class B member. The first meeting of Members to elect Directors shall be called within 120 days after Class B membership has ended as provided in Section 2.2 of the Declaration.

ARTICLE 7

OFFICES

Officer Positions

7.01 The officers of the Association shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.

Election and Term of Office

7.02 The officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

Removal

7.03 Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

Vacancies

7.04 A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

7.05 The president shall be the chief executive officer of the Association. The president shall supervise and control all of the business and affairs of the Association. The president shall preside at all meetings of the members and of the Board of Directors. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. However, the president may not execute instruments on behalf of the Association if this power is expressly delegated to another officer or agent of the Association by the Board of Directors, the Bylaws, or statute. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

Vice President

7.06 When the president is absent, is unable to act, or refuses to act, a vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place of the president in the order of the votes received when elected. A vice president shall perform other duties as assigned by the president or Board of Directors.

Treasurer

7.07 The treasurer shall:

(a) Have charge and custody of and be responsible for all funds and securities of the Association.

(b) Receive and give receipts for funds due and payable to the Association from any source.

(c) Deposit all funds in the name of the Association in banks, trust companies, or other depositories as provided in the Bylaws or as directed by the Board of Directors or president.

(d) Write checks and disburse funds to discharge obligations of the Association. Funds may not be drawn from the Association or its accounts for amounts greater than Five Hundred and No/100 Dollars (\$500.00) without the signature of the president or a vice president in addition to the signature of the treasurer. The Board may prescribe any further or different procedures and safeguards as it may from time to time deem appropriate.

(e) Maintain the financial books and records of the Association.

(f) Prepare financial reports at least annually.

(g) Perform other duties as assigned by the president or by the Board of Directors.

(h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.

(i) Perform all the duties incident to the office of treasurer.

Secretary

7.08 The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the Association records.
- (c) Maintain custody of the corporate records and of the seal of the Association.
- (d) Affix the seal of the Association to all documents as authorized.
- (e) Keep a register of the mailing address of each director, officer, and employee of the Association.
- (f) Perform duties as assigned by the president or by the Board of Directors.
- (g) Perform all duties incident to the office of secretary.

Delegation of Duties

The Board may delegate various duties of its officers to a professional management company subject to the Board's supervision.

ARTICLE 8

COMMITTEES

~~Establishment of Committee~~

8.01 The Board of Directors may, but is not required to, adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include one or more directors and may include persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the president its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Articles of Incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association.
- (d) Authorize the voluntary dissolution of the Association.
- (e) Revoke proceedings for the voluntary dissolution of the Association.
- (f) Adopt a plan for the distribution of the assets of the Association.
- (g) Amend, alter, or repeal the Bylaws.
- (h) Elect, appoint, or remove a member of a committee or a director or officer of the Association.
- (i) Approve any transaction to which the Association is a party and that involves a potential conflict of interest as defined in paragraph 9.04, below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (k) Take final action on a matter that requires the approval of the members.

Architectural Control Committee

8.02 An Architectural Control Committee has been established by the Declaration and shall function according to said Declaration, and these Bylaws.

Term of Office

8.03 Each member of a committee shall continue to serve on the committee until the next annual meeting of the Directors of the Association and until a successor is appointed by the Board of Directors. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, is removed, or ceases to be, a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

Chair and Vice-Chair

8.04 One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the Board of Directors. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

Notice of Meetings

8.05 Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than three (3) nor more than thirty (30) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose of purposes for which the meeting is called. The meeting shall be held in Collin or a contiguous county.

Quorum

8.06 One half (1/2) of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

Actions of Committee

8.07 A committee shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

Proxies

8.08 A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after eleven (11) months from the date of its execution.

Compensation

8.09 Committee members shall not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to committee members of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the committee. A committee member may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount. Notwithstanding the foregoing, as provided in the Declaration, one or more members of the Architectural Control Committee may be professionals retained by the Board and such parties may be compensated as agreed by the Board.

Rules

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

Subject to Board of Directors

8.11 All committees may be appointed by the Board, and are finally subject to the decision of the Board in event of a conflict between a committee decision and a Board decision.

ARTICLE 9

TRANSACTIONS OF THE ASSOCIATION

Contracts

9.01 The Board of Directors may authorize any officer or agent of the Association to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Association. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Deposits

9.02 All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositaries as the Board may select.

Gifts

9.03 The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association. The Board of Directors may make gifts and give charitable

contributions that are not prohibited by the Bylaws, the Articles of Incorporation, state law, and any requirements for maintaining the Association's federal and state tax status.

Potential Conflicts of Interest

9.04 The Association shall not make any loan to a director, officer or member of the Association. A member, director, officer, or committee member of the Association may lend money to and otherwise transact business with the Association except as otherwise provided by the Bylaws, Articles of Incorporation, and all applicable laws. Such a person transacting business with the Association has the same rights and obligations relating to those matters as other persons transacting business with the Association. The Association shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Association unless the transaction is described fully in a legally binding instrument and is in the best interests of the Association. The Association shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Association without full disclosure of all relevant facts and without the approval of the Board of Directors. Nothing herein shall prohibit the Declarant, during the Class B control period, from advancing funds in behalf of the Association and being reimbursed by the Association for such advances.

Prohibited Acts

9.05 As long the Association is in existence, and except with the prior approval of the Board of Directors (to the extent the Directors have authority to so approve), no director, officer, or committee member of the Association shall:

- (a) Do any act in violation of the Bylaws or a binding obligation of the Association.
- (b) Do any act with the intention of harming the Association or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended ordinary business of the Association.
- (d) Receive an improper personal benefit from the operation of the Association.
- (e) Use the assets of this Association, directly or indirectly, for any purpose other than carrying on the business of this Association.
- (f) Wrongfully transfer or dispose of Association property, including intangible property such as good will.

(g) Use the name of the Association (or any substantially similar name) or any trademark or trade name adopted by the Association, except on behalf of the Association in the ordinary course of the Association's business.

(h) Disclose any of the Association's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 10

BOOKS AND RECORDS

Required Books and Records

10.01 The Association shall keep correct and complete books and records of account. The Association's books and records shall include:

(a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association, including, but not limited to, the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.

(b) A copy of the Bylaws, and any amended versions or amendments to the Bylaws.

(c) Minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors.

(d) A list of the names and addresses of the members, directors, officers, and any committee members of the Association.

(e) A financial statement showing the assets, liabilities, and net worth of the Association at the end of the most recent fiscal year.

(f) A financial statement showing the income and expenses of the Association for the most recent year.

(g) All rulings, letters, and other documents relating to the Association's federal, state, and local tax status.

(h) The Association's federal, state, and local information or income tax returns for each of the Association's three most recent tax years.

Inspection and Copying

10.02 Any member, director, officer, or committee member of the Association may inspect and receive copies of all books and records of the Association required to be kept by the Bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Association and if the person submits a request in writing. Any person entitled to inspect and copy the Association's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Association's books and records may do so at a reasonable time no later than seven (7) working days after the Association's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Association's books and records. The Association shall provide requested copies of books or records not later than seven (7) working days after the Association's receipt of a proper written request.

Audits

10.03 Any member shall have the right to have an audit conducted of the Association's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Association to an audit more than once in any fiscal year.

Delegation of Duties

10.04 The Board may delegate the maintenance of correct and complete books and records of account to a professional management company subject to the Board's supervision.

ARTICLE 11

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end of the last day in December in each year.

ARTICLE 12

INDEMNIFICATION

When Indemnification is Required, Permitted, and Prohibited

12.01

(a) The Association shall indemnify a director, officer, committee member, employee, or agent of the Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. For the purposes of this article, an agent includes one who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Association shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Association's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Association shall not indemnify a person who is found liable to the Association or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of *nole contendere* or its equivalent does not necessarily preclude indemnification by the Association.

(c) The Association shall pay or reimburse expenses incurred by a director, officer, committee member, employee, or agent of the Association in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Association when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Association may indemnify a director, officer, committee member, employee, or agent of the Association to the extent permitted by law. However, the Association shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 12.01(a), above.

(e) Before the final disposition of a proceeding, the Association may pay indemnification expenses permitted by the Bylaws and authorized by the Association. However, the Association shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Association or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Association may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by

or on behalf on the Association, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

12.02

(a) Before the Association may pay any indemnification expenses (including attorney's fees), the Association shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, ~~except as provided in paragraph 12.02(c) below.~~ The Association may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

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

(iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 12.02(a)(i) or 12.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(iv) Majority vote of members, excluding directors who are named defendants or respondents in the proceeding.

(b) The Association shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. ~~If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the same manner specified by paragraph 12.02(a)(iii), above, governing the selection of special legal counsel.~~ A provision contained in the Articles of Incorporation, the Bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 12.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Association shall pay indemnification expenses before final disposition of a proceeding only after the Association determines that the facts then known would not preclude indemnification and the Association receives a written affirmation and undertaking from the person to be indemnified. The determination that

the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 12.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Association if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Association. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE 13

NOTICES

Mode of Delivery

13.01 Any notice required or permitted by the Bylaws to be given to a member, director, officer, or member of a committee of the Association may be given by mail, telecopy, courier, hand delivery, or telegram. If given by courier, hand delivery or telecopy, notice shall be deemed delivered upon receipt. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Association, with postage prepaid as provided in Section 11.8 of the Declaration. If given by telegram, a notice shall be deemed to be delivered when accepted by the telegraph company and addressed to the person at his or her address as it appears on the records of the Association.

Signed Waiver of Notice

13.02 Whenever any notice is required to be given under the provisions of the Act or under the provisions of the Articles of Incorporation, the Declaration, or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

Waiver of Notice by Attendance

13.03 The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 14

SPECIAL PROCEDURES CONCERNING MEETINGS

Meeting by Telephone Call

14.01 The Board of Directors, and any committee of the Association may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear one another. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

Decision Without Meeting

14.02 Any decision required or permitted to be made at a meeting of the Board of Directors, or any committee of the Association may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by the requisite number of persons entitled to vote on the matter required for passage. The original signed consents shall be placed in the Association minute books and kept with the Association's records. If less than all persons entitled to vote are represented in the written consent but a requisite number have joined to pass the measure then the Secretary must certify that all Members have received notice and have been given an opportunity to consent or object to the proposition submitted for written consent.

Voting by Proxy

14.03 A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary of other designated officer.
- (b) The proxy authority expires under the terms of the proxy.
- (c) The proxy authority expires under the terms of the Bylaws.

ARTICLE 15

AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by the Board of Directors. The notice of any meeting at which the Bylaws are proposed to be altered, amended, or repealed, or at which new Bylaws are proposed to be adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 16

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

16.01 The Bylaws shall be construed in accordance with the laws of the State of Texas. All reference in the Bylaws to statutes, regulation, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Legal Construction

16.02 If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws. Subject to the requirements of legality, the construction, interpretation, and application of the provisions of the Bylaws shall be vested in the Board of Directors whose decision shall be final and binding.

Headings

16.03 The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

Gender

16.04 Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

Power of Attorney

16.06 A person may execute any instrument related to the Association by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Association to be kept with the Association records.

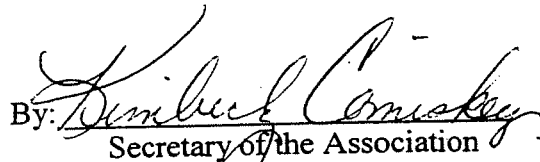
Parties Bound

16.07 The Bylaws shall be binding upon and inure to the benefit of the members, directors, officers, committee members, employees, and agents of the Association and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

16.08 In the event of a conflict between these Bylaws and the Declaration the Declaration shall take precedence.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of LIBERTY HOMEOWNERS ASSOCIATION, INC., and that the foregoing Bylaws constitute the Bylaws of the Association. These Bylaws were duly adopted at a meeting of the Board of Directors held on March 5th, 2004.

By: 
Secretary of the Association

Declaration of CC&R's

**FOURTH AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LIBERTY HOMEOWNER'S ASSOCIATION, INC.**

THIS FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LIBERTY HOMEOWNER'S ASSOCIATION, INC. (this "Fourth Amendment") is made on this 2nd day of July, 2013, by **HILLWOOD RLD, L.P.**, a Texas limited partnership (the "Declarant").

RECITALS:

WHEREAS, Declarant established that certain Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on March 8, 2004, in Volume 5621 Page 05186 as Document No. 2004-0032507 of the Official Public Records of Collin County, Texas, as amended from time to time (the "Declaration");

WHEREAS, Section 13.1 of the Declaration states the Declaration may be amended provided, that (i) for the period which Declarant owns at least one Lot, no such amendment shall be valid or effective without the joinder and consent of Declarant and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 51% of the votes in the Association;

WHEREAS, Section 13.1 of the Declaration additionally states the Declarant, at its sole discretion and without vote or the consent of any other party, may modify, amend, or repeal this Declaration as necessary for clarification or to correct technical, typographical or scrivener's errors;

WHEREAS, Declarant owns at least one Lot, is the Class B Member and has at least 51% of the votes in the Association;

WHEREAS, Section 14.3 of the Declaration contains a typographical error; and

WHEREAS, Declarant desires to amend the Declaration as set forth herein.

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declaration is hereby amended as follows:

1. **Section 3.10 Exempt Property.** Section 3.10(f) of the Declaration is hereby deleted in its entirety.
2. **Section 14.3 Amendments.** "Section 11.1" of Section 14.3(b) of the Declaration is hereby deleted and replaced with "Section 13.1".

3. **No Other Changes.** Except as expressly modified herein, the Declaration remains unmodified and in full force and effect. All terms used herein with initial capital letters and not otherwise defined herein shall have the meanings specified in the Declaration.

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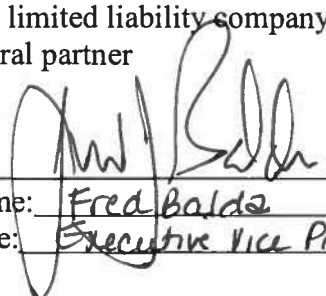
IN WITNESS WHEREOF, the Declarant has caused this Fourth Amendment to be executed on the 2nd day of July, 2013 and to be effective as of the date this Fourth Amendment is recorded in the Real Property Records of Collin County, Texas.

DECLARANT:

HILLWOOD RLD, L.P.,
a Texas limited partnership

By: Hillwood Operating, L.P.,
a Texas limited partnership,
its general partner

By: Hillwood Services GP, LLC,
a Texas limited liability company,
its general partner

By: 
Name: Fred Balda
Title: Executive Vice President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 2 day of July, 2013 by Fred Balda, Executive Vice President of Hillwood Services GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Hillwood Operating, L.P., a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of Hillwood RLD, L.P., a Texas limited partnership, on behalf of said limited partnership.





Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Hillwood
3090 Olive Street
Suite 300
Dallas, Texas 75219
Attn: Michele Ringnald

**AMENDED AND RESTATED THIRD AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LIBERTY**

THIS AMENDED AND RESTATED THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LIBERTY HOMEOWNER'S ASSOCIATION, INC. (this "Amendment") is made on this 10th day of October, 2012, by **HILLWOOD RLD, L.P.**, a Texas limited partnership (the "Declarant")

RECITALS:

WHEREAS, Declarant established those certain Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on March 8, 2004, in Volume 5621 Page 05187 as Document No. 2004-0032507 of the Official Public Records of Collin County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on September 13, 2005 in Volume 6001 Page 00468 as Document No. 2005-0127945 of the of the Official Public of Collin County, Texas, as amended by that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on November 11, 2009 as Document No. 20091111001377530 of the of the Official Public Record of Collin County, Texas, as amended by that certain Third Amendment to Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on July 11, 2012 as Document No. 20120711000835960 (the "Third Amendment"), as may be further amended (collectively, the "Declaration");

WHEREAS, Article XIII, Section 13.1 of the Declaration entitled "Amendment," states Declarant may amend the Declaration, at any time without joinder or consent of any other party as necessary for purposes of clarification;

WHEREAS, Article IXV, Section 14.3(a) of the Declaration entitled "Amendments," states Declarant may amend the Declaration, in its sole and absolute discretion, in response to any governmental requirement as Declarant deems reasonable and appropriate;

WHEREAS, Declarant has determined certain sections set forth in the Third Amendment to the Declaration and other sections in the Declaration must be amended, modified or added i) for purposes of clarification of certain use restrictions and building requirements as set forth therein and ii) in response to recent changes made to the Texas Property Code affecting the statutory law governing property owner associations; and

WHEREAS, Declarant desires to amend and restate the Third Amendment as set forth herein and to further amend the Declaration; therefore upon the execution and recording of this Amendment the Third Amendment shall be amended, restated and superseded in its entirety.

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Third Amendment and the Declaration are hereby amended as follows:

- 1 **Section 5.5 Construction of Improvements and Use of Lots – Amended and Restated Subsection**
Section 5.5(m) of the Declaration, which sets forth requirements for flags and flagpoles, is hereby deleted in its entirety and the following Section 5.5(m) is inserted in lieu thereof:

(m) Flagpoles on Lots must be black or silver in color, must be constructed of aluminum, must have snap hook covers and may not exceed the height of the roof or 20 feet (20'), whichever is less. Flagpoles that attach to the façade of a Dwelling Unit are also allowed. Only one flagpole is allowed per Lot. The location of a flagpole, material, size and type of flag and flagpole and lighting plans applicable to same must be approved by the Architectural Control Committee

prior to its installation on a Lot and shall comply with local ordinances and recorded setback requirements. No flagpole shall interfere with any easement area

Each Owner has a right to fly a United States flag, State of Texas flag or an official or replica flag of any branch of the United States armed forces on its Lot which must be displayed in a respectful manner on a flagpole that is in compliance with this Section 5.5(m). Flags may not exceed three feet (3') by five feet (5') in size. Flag lighting (if any) shall be directed at the flag and may not cause or be a nuisance to neighboring Lots or surrounding Property. All flags must be in good condition and flown in compliance with applicable federal and state laws governing public flags

- 2 **Section 5.5 Construction of Improvements and Use of Lots – Modifications to Subsections.** The following subsections of Section 5.5 of the Declaration are hereby amended to include the following provisions in the appropriate subsections as set forth below:

(Vehicles) (b) Notwithstanding the foregoing, no motor vehicles of any kind shall operate in or on the Common Areas, pathways, trails, sidewalks or easement areas within the Property, which easement areas may include but are not limited to open space or greenbelt areas and drainage areas. Unauthorized machinery or equipment are prohibited on any portion of the Lots, Common Areas, sidewalks, streets or any other portion of the Property. No vehicle shall be parked on any portion of property within the Property other than in designated parking areas for Lots, driveways and appropriate street areas. No lawns or other yard spaces shall be used for parking of automotive vehicles or for parking of other vehicles for which parking is prohibited on driveways or streets. Motorcycles or bicycles may not be chained to buildings, fences or any other part of a Lot, unless such area is designated for that purpose. No servicing or repairs shall be made to any vehicle within the Property, except for emergency repairs as necessary to enable movement of the vehicle to a repair facility

(Lighting) (g) All exterior lighting must be directed in a manner that prevents any glare of such lighting on to neighboring Lots. Flood lights may not exceed 150-watts. Exterior colored lighting and holiday decorations will be permitted only during the period commencing thirty (30) days prior and thirty (30) days following holidays.

(Trash Cans) (j) Trash cans and recycling receptacles must be stored in the garage or in fenced backyard areas of a Lot out of public view. Trash cans may be put out for collection no earlier than 6:00 p.m. the night before trash collection and must be returned to approved storage areas no later than 11:59 p.m. of the same day of the trash collection.

(Basketball) (n) Basketball goals may be permitted on an Owner's Lot subject to the review and approval of the ACC prior to installation or placement. The ACC may impose limitations on basketball goals and consider several factors in its determination of approval including but not limited to the size and configuration of the Lot on which the basketball goal will be placed, proposed location of the basketball goal, proximity of the basketball goal to neighboring Lots, streets, sidewalks and/or Common Areas and characteristics of the basketball goal (i.e. color, quality, installation, size, etc.)

Once a basketball goal is approved for a Lot, such basketball goal, related equipment and persons playing basketball, whichever is applicable, shall be required at all times to be:

- Maintained in good repair. If basketball goals become unsafe, unsightly or any other type of nuisance, the Board, in its sole judgment, may require the removal thereof;
- Located for use and stored only in those areas approved by the ACC; without limiting the foregoing, basketball goals will be required to be stored in garages or fenced back yard areas of a Lot and shall not be placed or stored on a driveway or side of a Dwelling Unit for any extended period of time;
- Comprised of a clear backboard and black pole;
- Prohibited from being located on or encouraging play near or on sidewalks, streets or other unsafe areas for basketball play; and
- Prohibited from causing damage to any surrounding Common Areas, landscaping, neighboring Lots, vehicles, structures or signage

3. **Section 5.5 Construction of Improvements and Use of Lots – New Subsections** Section 5.5 of the Declaration is hereby amended to include the following new subsections as set forth below:

(Bird Houses) (v) Pole mounted birdhouses shall not exceed 20' in height and shall be maintained in a vertical upright manner at all times. Only one pole mounted birdhouse is allowed per Lot. Poles supporting birdhouses must be constructed of wood, metal or fiberglass and shall be painted earth tone colors or white and coordinating with the colors of the house. Pole mounted birdhouses shall not exceed 2' x 3' x 3' in overall dimensions, must be placed in fenced side or backyard areas and must be a color which complements the exterior of the Dwelling placed on the Lot. Hanging birdhouses shall not exceed 2' x 2' x 2' in overall dimensions, may be placed in trees, on accessory structures or on the Dwelling Unit, and shall not impede the natural development of any tree on which such birdhouse is placed.

(Fountains) (w) All front yard fountains/statuary/wishing wells must be approved by the ACC prior to installation.

(Garage Sales) (x) Owners must comply with City of Melissa ordinances regarding garage sales.

(Gutters) (y) Plans to install gutters and/or downspouts must be submitted to the ACC for approval prior to installation.

(Portable Grills) (z) Portable grills shall be stored in a fenced backyard area or a garage.

(Rain Collection) (aa) - Rain barrels and rain harvesting systems must be submitted for approval to the ACC prior to installation. Owners may install a rain barrel or rainwater harvesting system only on Lots owned by such Owners. Barrels and systems must be of a color consistent with the color scheme of such Owner's Dwelling Unit and contain only writing visible on such barrels and systems originally written thereon by the commercial manufacturer of such barrels or systems.

The ACC shall monitor and regulate the size, type, shielding, and materials for or the location of such rain barrels and rainwater harvesting devices or other related appurtenances if the restrictions imposed do not prohibit the economic installation thereof on the Owners Lot where there is reasonably sufficient area to install such devices. This Section 5.5(aa), nor any other portion of

this Article V intends to include or have enforced any provision that would prohibit or restrict an Owner in any manner in violation of Chapter 202 of the Texas Property Code.

(Religious Displays)(bb) Owners, or any occupant of a Dwelling Unit, shall not display or affix a religious item on the entry to such Dwelling Unit which:

- (i) threatens the public health or safety;
- (ii) violates a law;
- (iii) contains language, graphics, or any display that is patently offensive to a passerby;
- (iv) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
- (v) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches

(Storage Boxes) (cc) Any boxes used for storage purposes shall be kept in the garage or in the fenced portions of backyard areas out of public view at all times

(Window Cover) (dd) All door and window treatments visible from the exterior of an Improvement shall be neutral in color, in good repair, shall not be foil and be made of material traditionally used for such type coverings. Nothing shall be placed on the outside of window sills or portions of any Dwelling Unit. All window screens shall be free from damage

- 4 **Section 5.6 Fences** The last three sentences of Section 5.6 of the Declaration are hereby deleted in their entirety and the following provisions shall be inserted in lieu thereof:

All fencing, including any fencing referenced in Article VI of the Declaration must be No 1 grade cedar or better and shall not be less than six feet (6') in height and no portion of any fence may extend beyond eight feet (8') in height. Any exterior portion of a fence visible from a street shall be stained, stain applications shall be uniform and stain shall be replaced when fencing is visibly worn or faded. The following stain colors are the only ACC approved stain colors for fencing on Lots and any other stain color must be approved by the ACC prior to application

- Ready Seal: OS-012 Natural Cedar
- Ready Seal: OS-015B Pecan
- Behr (Home Depot): Woodbridge ST-116
- Behr (Home Depot): Cedar Naturaltone ST-533
- Olympic (Lowes): Cedar Naturaltone 716
- Olympic (Lowes): Sierra - 700

Owners shall continuously maintain fences on their Lots in overall good condition and promptly repair any damage to fences. Notwithstanding any provision to the contrary contained in this Declaration and in addition to any prior approval required to be obtained by the ACC, any modification to be made by an Owner to a fence on its Lot that is greater than 6 feet (6') in height will require the written approval of any other Owner on an adjacent Lot which other Owner(s) shares all or a portion of the fence to be modified

5. **Section 5.9 Landscaping – Modification** Section 5.9 is hereby amended to include the following sentence as the last sentence of the paragraph in such section:

Dead trees must be replaced with the same species of tree originally installed on the Lots pursuant to Article VI unless another species of tree is approved in writing by the ACC prior to replacement

6. **Article VI Special Building Requirements – New Sections** Article VI is hereby amended to include the following sections as set forth below:

Section 6.7 Paint If an Owner desires to repaint the trim, shutters, siding or doors (including garage doors) on its Lot with the same existing colors, no ACC approval is required. Any other paint or similar type change to the exterior of a Dwelling Unit or approved accessory structure on a Lot must be approved by the ACC in accordance with Article VII.

Section 6.8 Roofing Materials The Association shall not prohibit an Owner who is otherwise authorized to install shingles on the roof of the Owner's Dwelling Unit or other improvements on an Owner's Lot from installing shingles that:

- (a) are designed to:
 - (i) be wind and hail resistant;
 - (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles subject to the approval by the ACC of the shingle color prior to installation;
 - (iii) provide solar generation capabilities subject to the approval by the ACC of the size, type and appearance prior to installation; and
- (b) when installed:
 - (i) resemble the shingles used or otherwise authorized for use on property in the subdivision;
 - (ii) are composition shingles, are more durable than and are of equal or superior quality to the shingles described by subsection (a) above; and
 - (iii) match the aesthetics of the property surrounding the owner's property

Section 6.9 Storm Doors Full view glass storm doors are allowed on Lots. The trim of such screen doors may be black or match the paint color of the door on which it is placed on the Dwelling Unit. All other storm/security/screen doors must be submitted to the ACC for approval prior to installation in accordance with Article VII.

7. **Section 7.3(c) Time Period for Constructing Improvements** The fourth sentence of Section 7.3(c) is hereby deleted in its entirety and the following sentence is inserted in lieu thereof:

All construction work shall be completed within six (6) months of its commencement unless otherwise specified in a notice of approval provided by the Reviewer, Declarant or Architectural Control Committee, whichever is applicable, or such party, provided it has the requisite authority, grants a written extension for the construction work to be completed.

8. **Section 11.1 Lot Maintenance – Modification** Section 11.1 is hereby amended to include the following sentence as the last sentence of the paragraph in such section:

Ivy shall not be permitted on the front or side of any Dwelling Unit and the growth of Ivy

on any Lot shall be maintained in a controlled and attractive manner, limiting growth to the backside of a Dwelling Unit and in no event shall be allowed to grow onto windows, doors or roof.

9. **Section 12.1 Enforcement – Amended and Restated Section** Section 12.1 of the Declaration entitled *Special Enforcement Provisions* is hereby deleted in its entirety and the following is inserted in lieu thereof:

Section 12.1 Special Enforcement Provisions In the event that an Owner fails to comply with any provision of this Declaration, including but not limited to any provision in Article XI, then, prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with the Declaration (or other such remedies that may be available at law or in equity) the Board shall first be obligated to give Owner notice of such failure and the opportunity to cure such failure in accordance with any fining rules and procedures policy adopted and followed by the Board in accordance with the Texas Property Code, as may be amended (the "**Fine Policy**") If Owner fails to cure the violation within the requisite cure periods as set forth in any Fine Policy, then the Board shall have the right, but not the obligation, to cure the violation including entering upon a Lot, if such Lot is the cause for the violation, and bring the Lot into compliance with this Declaration. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner in violation and such Owner shall promptly reimburse the Association for all such costs and expenses after the request thereof. In the event Owner fails to reimburse such costs, the Board shall have the right to assess the owner for same plus interest and fines as set forth in Article III of this Declaration.

10. **No Other Changes** Except as expressly modified herein, the Declaration remains unmodified and in full force and effect. All terms used herein with initial capital letters and not otherwise defined shall have the meanings specified in the Declaration.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed on the 16th day of October, 2012 and to be effective as of the date this Amendment is recorded in the Official Public Records of Collin County, Texas.

DECLARANT:

HILLWOOD RLD, L P ,
a Texas limited partnership

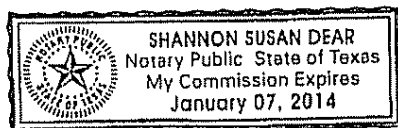
By: Hillwood Operating, L P ,
a Texas limited partnership,
its general partner

By: Hillwood Services GP, LLC,
a Texas limited liability company,
its general partner

By: [Signature]
Name: Fred Balda
Title: President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 16 day of October, 2012 by Fred Balda, President of Hillwood Services GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Hillwood Operating, L.P., a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of Hillwood RLD, L.P., a Texas limited partnership, on behalf of said limited partnership



[Signature]
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Hillwood
3090 Olive Street
Suite 300
Dallas, Texas 75219
Attn: Amy R Reed, Esq



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
10/24/2012 02:42:28 PM
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20121024001355980

[Signature]

THIRD AMENDMENT

TO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

LIBERTY

Accommodation Ltd.

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LIBERTY HOMEOWNER'S ASSOCIATION, INC. (this "Amendment") is made on this 9th day of July, 2012, by **HILLWOOD RLD, L.P.**, a Texas limited partnership (the "Declarant").

RECITALS:

WHEREAS, Declarant established those certain Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on March 8, 2004, in Volume 5621 Page 05187 as Document No. 2004-0032507 of the Official Public Records of Collin County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on September 13, 2005 in Volume 6001 Page 00468 as Document No. 2005-0127945 of the of the Official Public of Collin County, Texas, as amended by that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on November 11, 2009 as Document no. 20091111001377530 of the of the Official Public Record of Collin County, Texas, as may be further amended (the "Declaration");

WHEREAS, Article XIII, Section 13.1 of the Declaration entitled "Amendment," states Declarant may amend the Declaration, at any time without joinder or consent of any other party as necessary purposes of clarification;

WHEREAS, Article IXV, Section 14.3(a) of the Declaration entitled "Amendments," states Declarant may amend the Declaration, in its sole and absolute discretion, in response to any governmental requirement as Declarant deems reasonable and appropriate;

WHEREAS, Declarant has determined certain sections in the Declaration must be amended, modified or added to i) for purposes of clarification of certain use restrictions and building requirements as set forth therein and ii) in response to recent changes made to the Texas Property Code affecting the statutory law governing property owner associations; and

WHEREAS, Declarant desires to amend the Declaration as set forth herein.

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declaration is hereby amended as follows:

1. **Section 5.5 Construction of Improvements and Use of Lots – Amended and Restated Subsection.** Section 5.5(m) of the Declaration, which sets forth requirements for flags and flagpoles is hereby deleted in its entirety and the following Section 5.5(m) is inserted in lieu thereof:

(m) Flagpoles on Lots must be black or silver in color, must be constructed of aluminum and may not exceed the height of the roof or 20 feet, whichever is less. Flagpoles that attach to the façade of a Dwelling Unit are also allowed. Only one flagpole is allowed per Lot. The location of a flagpole, material, size and type of flag and flagpole and lighting plans applicable to same must be approved by the Architectural Control Committee prior to its installation on a Lot and shall comply with local ordinances and recorded setback requirements. No flagpole shall interfere with any easement area.

Each Owner has a right to fly a United States flag, State of Texas flag or an official or replica flag of any branch of the United States armed forces on its Lot which must be

displayed in a respectful manner on a flagpole that is in compliance with this Section 5.5(m). Flags may not exceed three feet by five feet in size. Flag lighting (if any) shall be directed at the flag and may not cause or be a nuisance to neighboring Lots or surrounding Property. All flags must be in good condition and flown in compliance with applicable federal and state laws governing public flags.

2. **Section 5.5 Construction of Improvements and Use of Lots – Modifications to Subsections.** The following subsections of Section 5.5 of the Declaration are hereby amended to include the following provisions in the appropriate subsections as set forth below:

(Vehicles) (b) Notwithstanding the foregoing, no motor vehicles of any kind shall operate in or on the Common Areas, pathways, trails, sidewalks or easement areas within the Property, which easement areas may include but are not limited to open space or greenbelt areas and drainage areas. Unauthorized machinery or equipment are prohibited on any portion of the Lots, Common Areas, sidewalks, streets or any other portion of the Property. No vehicle shall be parked on any portion of property within the Property other than in designated parking areas for Lots, driveways and appropriate street areas. No lawns or other yard spaces shall be used for parking of automotive vehicles or for parking of other vehicles for which parking is prohibited on driveways or streets. Motorcycles or bicycles may not be chained to buildings, fences or any other part of a Lot, unless such area is designated for that purpose. No servicing or repairs shall be made to any vehicle within the Property, except for emergency repairs as necessary to enable movement of the vehicle to a repair facility. Parking spaces, garages, parking lots and driveways shall only be used for vehicle parking purposes.

(Lighting) (g) All exterior lighting must be screened and directed in a manner that prevents any glare of such lighting on to neighboring Lots. Exterior colored lighting is prohibited. Flood lights may not exceed 150-watts.

(Trash Cans) (j) Trash cans and recycling receptacles must be stored in the garage, in fenced backyard areas of a Lot out of public view or on side portions of a Lot if screened from public view by shrubbery or other screening as may approved in writing by the Architectural Control Committee. Trash cans can be put out for collection no earlier than 6:00 p.m. the night before trash collection and must be returned to approved storage areas by the end of the same day of the trash collection.

(Basketball) (n) Basketball goals shall be permitted only on an Owner's Lot, maintained in good repair and located only on a driveway, in the garage or enclosed backyard area at all times. Basketball goals can be portable or permanently installed, in-ground only, and must have a clear backboard and black or gray pole. Basketball goals are prohibited on sidewalks, streets or on any front yard lawn areas and playing basketball in or near any public street or sidewalk is strictly prohibited. Any basketball goals abutting Common Areas shall be placed within a safe distance therefrom and in no event shall any basketball goal, player or ball be permitted to damage the surrounding Common Area landscape, structures, or signage.

3. **Section 5.5 Construction of Improvements and Use of Lots – New Subsections.** Section 5.5 is hereby amended to include the following new subsections as set forth below:

(Bird Houses) (v) Pole mounted birdhouses shall not exceed 20' in height and shall be maintained in a vertical upright manner at all times. Only one pole mounted birdhouse is allowed per Lot. Poles supporting birdhouses must be constructed of wood, metal or fiberglass and shall be

painted earth tone colors or white and coordinating with the colors of the house. Pole mounted birdhouses shall not exceed 2' x 3' x 3' in overall dimensions, must be placed in fenced side or backyard areas and must be a color which complements the exterior of the Dwelling placed on the Lot. Hanging birdhouses shall not exceed 2' x 2' x 2' in overall dimensions, may be placed in trees, on accessory structures or on the Dwelling Unit, and shall not impede the natural development of any tree on which such birdhouse is placed.

(Fountains) (w) All front yard fountains/statuary/wishing wells must be approved by the ACC prior to installation.

(Garage Sales) (x) Owners must comply with City of Melissa ordinances regarding garage sales.

(Gutters) (y) Plans to install gutters and/or downspouts must be submitted to the ACC for approval prior to installation.

(Portable Grills) (z) Portable grills shall be stored in a fenced backyard area or a garage and may be placed on a driveway when in use only.

(Rain Collection) (aa) - Rain barrels and rain harvesting systems must be submitted for approval to the ACC prior to installation. Owners may install a rain barrel or rainwater harvesting system only on Lots owned by such Owners. Barrels and systems must be of a color consistent with the color scheme of such Owner's Dwelling Unit and contain only writing visible on such barrels and systems originally written thereon by the commercial manufacturer of such barrels or systems.

The ACC shall monitor and regulate the size, type, shielding, and materials for or the location of such rain barrels and rainwater harvesting devices or other related appurtenances if the restrictions imposed do not prohibit the economic installation thereof on the Owners Lot where there is reasonably sufficient area to install such devices. This Section 5.5(aa), nor any other portion of this Article V intends to include or have enforced any provision that would prohibit or restrict an Owner in any manner in violation of Chapter 202 of the Texas Property Code.

(Religious Displays)(bb) Owners, or any occupant of a Dwelling Unit shall not display or affix a religious item on the entry to such Dwelling Unit which:

- (i) threatens the public health or safety;
- (ii) violates a law;
- (iii) contains language, graphics, or any display that is patently offensive to a passerby;
- (iv) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or
- (v) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches.

(Storage Boxes) (cc) Any boxes used for storage purposes shall be kept in the garage or in the fenced portions of backyard areas out of public view at all times.

(Window Cover) (dd) All door and window treatments visible from the exterior of an Improvement shall be neutral in color, in good repair, shall not be foil and be made of material traditionally used for such type coverings. Nothing shall be placed on the outside of window sills or portions of any Dwelling Unit. All window screens shall be free from damage.

4. **Section 5.9 Landscaping – Modification.** Section 5.9 is hereby amended to include the following sentence as the last sentence of the paragraph in such section:

Dead trees must be replaced with the same species of tree originally installed on the Lots pursuant to Article VI.

5. **Article VI Special Building Requirements – New Sections.** Article VI is hereby amended to include the following sections as set forth below:

Section 6.7 Paint. If an Owner desires to repaint the trim, shutters, siding or doors (including garage doors) on its Lot with the same existing colors, no ACC approval is required. Any other paint or similar type change to the exterior of a Dwelling Unit or approved accessory structure on a Lot must be approved by the ACC in accordance with Article VII.

Section 6.8 Roofing Materials. The Association shall not prohibit an Owner who is otherwise authorized to install shingles on the roof of the Owner's Dwelling Unit or other improvements on an Owner's Lot from installing shingles that:

(a) are designed to:

- (i) be wind and hail resistant;
- (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles;
- (iii) provide solar generation capabilities; and

(b) when installed:

- (i) resemble the shingles used or otherwise authorized for use on property in the subdivision;
- (ii) are more durable than and are of equal or superior quality to the shingles described by subsection (a) above; and
- (iii) match the aesthetics of the property surrounding the owner's property.

Section 6.9 Storm Doors. Full view glass storm doors are allowed on Lots. The trim of such screen doors must match the paint color of the door on which it is placed on the Dwelling Unit. All other storm/security/screen doors must be submitted to the ACC for approval prior to installation in accordance with Article VII.

6. **Section 11.1 Lot Maintenance – Modification.** Section 11.1 is hereby amended to include the following sentence as the last sentence of the paragraph in such section:

Ivy shall not be permitted on the front or side of any Dwelling Unit and the growth of Ivy on any Lot shall be maintained in a controlled and attractive manner, limiting growth to the backside of a Dwelling Unit and in no event shall be allowed to grow onto windows, doors or roof.

7. **Section 12.1 Enforcement – Amended and Restated Section.** Section 12.1 of the Declaration entitled *Special Enforcement Provisions* is hereby deleted in its entirety and the following is inserted in lieu thereof:

Section 12.1 Special Enforcement Provisions. In the event that an Owner fails to comply with any provision of this Declaration, including but not limited to any provision in Article XI, then, prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with the Declaration (or other such remedies that may be

available at law or in equity) the Board shall first be obligated to give Owner notice of such failure and the opportunity to cure such failure in accordance with any fining rules and procedures policy adopted and followed by the Board in accordance with the Texas Property Code, as may be amended (the "Fine Policy"). If Owner fails to cure the violation within the requisite cure periods as set forth in any Fine Policy, then the Board shall have the right, but not the obligation, to cure the violation including entering upon a Lot, if such Lot is the cause for the violation, and bring the Lot into compliance with this Declaration. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner in violation and such Owner shall promptly reimburse the Association for all such costs and expenses after the request thereof. In the event Owner fails to reimburse such costs, the Board shall have the right to assess the owner for same plus interest and fines as set forth in Section 3.1 of this Declaration.

8. **No Other Changes.** Except as expressly modified herein, the Declaration remains unmodified and in full force and effect. All terms used herein with initial capital letters and not otherwise defined shall have the meanings specified in the Declaration.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Declarant has caused this Amendment to be executed on the 9th day of July, 2012 and to be effective as of the date this Amendment is recorded in the Official Public Records of Collin County, Texas.

DECLARANT:

HILLWOOD RLD, L.P.,
a Texas limited partnership

By: Hillwood Operating, L.P.,
a Texas limited partnership,
its general partner

By: Hillwood Services GP, LLC,
a Texas limited liability company,
its general partner

By: [Signature] 7/9/12

Name: Angie Mastrozola
Title: Vice President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

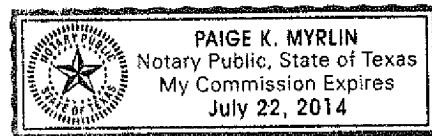
This instrument was acknowledged before me on the 9th day of July, 2012 by Angie Mastrozola of Hillwood Services GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Hillwood Operating, L.P., a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of Hillwood RLD, L.P., a Texas limited partnership, on behalf of said limited partnership.

[Signature: Paige K. Myrlin]

Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Hillwood
3090 Olive Street
Suite 300
Dallas, Texas 75219
Attn: Amy R. Reed, Esq.



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
07/11/2012 12:14:41 PM
\$36.00 CJAMAL
20120711000835960
[Signature]

**NOTICE OF FILING OF A DEDICATORY INSTRUMENT
FOR
LIBERTY HOMEOWNER'S ASSOCIATION, INC.**

Accommodation, Inc.

THE STATE OF TEXAS §

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF COLLIN §

THIS NOTICE OF FILING OF A DEDICATORY INSTRUMENT FOR LIBERTY HOMEOWNER'S ASSOCIATION, INC. (this "Notice") is made on this 5th day of July, 2012, by LIBERTY HOMEOWNER'S ASSOCIATION, INC., a Texas non-profit corporation (the "Association").

RECITALS:

WHEREAS, HILLWOOD RLD, L.P., a Texas limited partnership (the "Declarant") established those certain Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on March 8, 2004, in Volume 5621 Page 05187 as Document No. 2004-0032507 of the Official Public Records of Collin County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on September 13, 2005 in Volume 6001 Page 00468 as Document No. 2005-0127945 of the of the Official Public of Collin County, Texas, as amended by that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. recorded on November 11, 2009 as Document no. 20091111001377530 of the of the Official Public Record of Collin County, Texas, as may be further amended (the "Declaration");

WHEREAS, Declarant created the Association as a non-profit property owners association for the purposes and possessing the rights, powers, authority and obligations as set forth in the Articles of Incorporation of the Association;

WHEREAS, the Association established certain rules regarding the use of the Swim Club Facilities which are more particularly described in the Declaration (the "Pool Rules");

WHEREAS, Section 202.006 of the Texas Property Code (the "Code") now requires that a property owners association file of record in the real property records of the county in which the property governed by the Declaration is located each dedicatory instrument of the Association; and

WHEREAS, the Pool Rules may be considered a dedicatory instrument; therefore the Association desires to record the Pool Rules in the Official Public Records of Collin County, Texas to be in compliance with the Code.

NOW THEREFORE, the dedicatory instrument attached hereto as Exhibit A and known as the Pool Rules is a true and correct copy of the original and is hereby filed of record in the official Public Records of Collin County, Texas in accordance with the requirements set forth in Chapter 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this Notice to be duly executed by an authorized officer of the Board of Directors on the 5th day of July, 2012 and to be effective as of the date this Notice is recorded in the Official Public Records of Collin County, Texas.

LIBERTY HOMEOWNER'S ASSOCIATION, INC.,
a Texas non-profit corporation

Elaine Ford
Elaine Ford, President

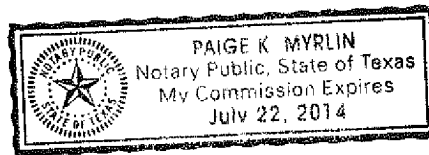
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Subscribed and sworn to before me on the 5th day of July, 2012, to certify witness my hand and official seal.

Paige K. Myrlin
Notary Public in and for the
State of Texas

My commission expires:

July 22, 2014



AFTER RECORDING PLEASE RETURN TO:

Hillwood
3090 Olive Street, Suite 300
Dallas, Texas 75219
Attn: Amy R. Reed, Esq.

EXHIBIT A

DEDICATORY INSTRUMENT - POOL RULES

[Attached Hereto]

LIBERTY HOA AMENITY RULES

Effective January 1, 2012

These rules have been established for the benefit of the community as a whole when using the community amenities. Homeowners and residents should be considerate of other neighbors while enjoying the amenities.

POOL:

ACCESS:

Access to the pool/amenities area is for Liberty homeowners, residents and their guests only. Homeowners must be in good standing and current in payment of all assessments. Homeowners **must** have a pool card to gain entry. Homeowners and residents should not open the gates/doors for anyone. Homeowners and residents may also be asked to check in with the pool monitor upon entry.

GUESTS:

Guests must be accompanied by a homeowner. Homeowners must agree to assume full responsibility for the conduct of all guests. No more than **four** (4) guests are allowed per household at any time.

RESERVATIONS:

Large group or parties should contact the management company for reservations. Reservations do not designate the pool as exclusive. The pool is always open to the homeowners and residents. The purpose is to make sure that multiple parties are not held at the pool on the same day at the same time.

Homeowners must ensure that the common area site (pool and pavilion area) is left clean with all trash removed, and the site be in as good or better condition overall than prior to the event.

The event can only take place between the hours the pool is open. No more than fifteen (15) guests are allowed at any one event. Event is restricted to no more than three (3) hours.

Homeowner may be required to submit the request for usage of the association common area thirty (30) days prior to the actual date of the event.

For reservation, please contact the management company.

HOURS:

9:00 a.m. - 9:00 p.m.

RULES:

1. No eating, drinking, or smoking while in the pool
2. No animals allowed in pool or enclosure area
3. Persons with infectious diseases should not use the pool.

4. Babies must wear "swim" diapers in pool or spa.
5. Adults should not swim alone.
6. No one under 15 years of age is permitted in the pool area without being accompanied by an adult 18 years or older.
7. Swimmers 15 years of age must have a completed authorization/waiver form on file prior to unsupervised use of the pool.
8. Children in baby pool must be supervised by an adult at all times.
9. No running or rough housing
10. No glass containers
11. No diving or jumping off of the fountain platform
12. Appropriate swim wear only
13. No abusive language, loud radio or excessive noise
14. The Liberty Homeowners Association assumes no responsibility for the loss, theft or damage to personal property or effects left in pool area.
15. The Liberty Homeowners Association assumes no responsibility for any personal injury to anyone resulting from use of the pool.
16. No rafts or other large floatation devices allowed.
17. Only traditional "beach balls" may be in the pool or enclosure area. Footballs, baseballs, basketballs, soccer balls or other hard material balls are not allowed in the pool or pool area.
18. Swimmers must shower before entering pool/spa.
19. Alcohol should not be consumed prior to or while using the facilities.
20. Chairs are not allowed in the water due to possible damage of pool surface and degradation of pool furniture.
21. Homeowners are authorized to ask people to leave who are engaged in disruptive behavior.

- **VIOLATIONS OF POOL RULES MAY RESULT IN DISCONTINUED POOL PRIVILEGES**
- **WARNING - NO LIFEGUARD ON DUTY**
- **CHILDREN SHOULD NOT USE POOL WITHOUT ADULT SUPERVISION**
- **NO DIVING**

Notice of Filing of a Dedicatory Instrument – Liberty Pool Rules



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
07/11/2012 12:14:41 PM
\$32.00 CJAMAL
20120711000835970

Stacey Kemp

Liberty Homeowners Association, Inc. – Fining Rules and Procedures for Violations of the Governing Documents

This document sets forth the Liberty Homeowners Association, Inc., a Texas non-profit corporation policy for imposing individual assessments, fines and charges for violations by Owners of the Governing Documents (hereinafter defined).

(a) Policy. The Liberty Homeowners Association, Inc., a Texas non-profit corporation (the "Association") has the power, pursuant to Article IV and Article XII of the Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc., recorded on March 8, 2004, in Volume 5621 Page 05187 as Document No. 2004-0032507 of the Real Property Records of Collin County, Texas, as amended (the "Declaration"), to enforce the provisions of the Declaration and impose sanctions, fines and individual assessments ("Fines") against Owners as a result of Owner violations of the Declaration, any rules, standards or guidelines adopted pursuant to the Declaration or other recorded restrictions adopted by the Board of Directors and governing the Association (collectively, hereinafter referred to as the "Governing Documents"). Fines are established and levied by the Association to discourage violations of the Governing Documents and encourage present and future compliance therewith. Fines are not intended to punish violators or generate revenue for the Association. The Association's use of Fines does not interfere with or limit its exercise of other rights and remedies available under the Governing Documents, at law or in equity.

(b) Act. Chapter 209 of the Texas Property Code entitled the *Texas Residential Property Owners Protection Act*, as may be amended (the "Act") is applicable to the Association and the property covered by the Governing Documents. It is the intention of the Board of Directors to comply with the Act in establishing and enforcing a policy to address violations by Owners of the restrictions set forth in the Governing Documents.

(c) Owners Liability. An Owner is liable for Fines levied by the Association for violations of the Governing Documents whether the Owner commits the violation or tenants, guests or other invitees of such Owner commit the violation. Regardless of who commits the violation, the Association will direct its communications to the Owner, although the Association may also send copies of its notices to the actual violator.

(d) Violation and Fine Notices. Before levying a Fine, the Association will give the Owner written notice of violation as set forth herein which shall comply with the Act. The Association shall send two violation notices for each non-recurring violation. The first violation notice ("First Violation Notice") provided by the Association will contain the following items: (i) the date the violation notice is mailed or prepared; (ii) a description of the violation; and (iii) a ten (10) day period to cure the violation as set forth in the first notice. The second violation notice ("Second Violation Notice") provided by the Association will contain the following items: (i) the date the violation notice is mailed or prepared; (ii) a description of the violation and any prior notice sent on such violation; (iii) an opportunity to cure the violation within a reasonable period of time in relation to the violation and a statement that not later than the 30th day after the date Owner receives the second violation notice, the Owner may request a hearing before the

Board of Directors to contest the facts included in the second violation notice regarding the violation; and (iv) if the violation is not cured within the 30 day period and no hearing is requested, the Association will levy a Fine. If the Owner fails to cure the violation and fails to request a hearing, the Association will then determine an appropriate Fine amount for the violation and will send a notice within thirty (30) days of levying such Fine to Owner (the "Fine Notice"), which notice shall include the amount of the Fine and the procedure by which Owner may pay the Fine.

(e) Repeat Violation. In the case of a repeat violation that occurred within the preceding six months, only one notice shall be sent by the Association ("Repeat Violation Notice") and shall contain the items set forth in the Second Violation Notice and also a statement that because the Owner was given prior notice of the violation, a reasonable opportunity to cure the violation and an opportunity to request a hearing with the Board of Directors within the preceding six months, the Fine attaches from the date of the Repeat Violation Notice.

(f) Right to Hearing. An Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of the Governing Documents. The Board of Directors has ten (10) days after receiving the Owner's request for a hearing to give the Owner notice of the time, place and date of the hearing. The hearing must be scheduled for a date no later than the 30th day after the Board of Directors receives the written request for a hearing. The Board shall provide to Owner notice of the date, time and place of the hearing not later than the 10th day prior to such hearing. The hearing may be postponed if the Board or the Owner request; however such postponement shall not be more than ten (10) days from the original scheduled date of the hearing. The Owner's request for a hearing suspends the levy of a Fine until such hearing has taken place. The hearing will be held in a closed or executive session of the Board of Directors. At the hearing the Board of Directors will consider the facts and circumstances surrounding the violation and the Owner may attend in person or may be represented by another person. The notice and hearing provisions of Section 209.006 and 209.007 of the Act do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit for foreclosure as a cause of action.

(g) Levy of Fine. Within thirty (30) days of levying the Fine, the Association must give the Owner the Fine Notice. If a Fine is levied at the hearing at which the Owner is actually present, the Fine Notice requirements will be satisfied if the Board of Directors announces its decision to the Owner at the hearing; otherwise, the Fine Notice must be in writing.

(h) Amount. The Association may set Fine amounts on a case by case basis, including costs incurred by the Association in connection with enforcing the Governing Documents and pursuing compliance therewith for a certain violation by an Owner, provided the Fine is reasonable in light of the nature, frequency and effects of the violation. The Association may establish a schedule of Fines for certain types of violations. The amount and cumulative total of a Fine must be reasonable in comparison to the violation and should be uniform for similar violations of the same provision of the Governing Documents.

(i) Type of Levy. If the violation is ongoing or continuous, the Fine may be levied on a periodic basis (daily, monthly, etc.) beginning on the date on which any cure period and opportunity for a hearing have expired pursuant to the last violation notice sent to the Owner. If

the violation is not ongoing, but is instead sporadic or periodic, the Fine may be levied on a per occurrence basis.

(j) Collection of Fines. **The Association is not entitled to collect a Fine from an Owner to whom it has not given notice, an opportunity to cure and an opportunity to be heard.**

(k) Effective Date. The Fining Rules and Procedures were unanimously adopted by a the Board of Directors pursuant to that certain Consent in Lieu of Director's Special Meeting executed by the Board of Directors on May 31, 2012. These Fining Rules and Procedures shall become effective upon the recordation hereof in the Real Property Records of Collin County, Texas (the "Effective Date") provided a copy of these rules and procedures has been mailed to every Owner at least ten (10) days prior to the Effective Date.

(l) Amendment of Policy. These Fining Rules and Procedures will remain effective until ten (10) days after the Association delivers, or causes to be delivered, to an Owner notice of amendment to or revocation of these Fining Rules and Procedures. The notice may be published and distributed in an Association newsletter or other community-wide publication.

Adopted by the Board of Directors on May 31, 2012.

Elaine Ford
Elaine Ford, President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Subscribed and sworn to before me on the 31 day of May, 2012, to certify witness my hand and official seal.

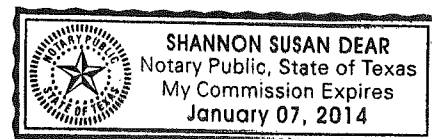
Shannon Dear
Notary Public in and for the
State of Texas

My commission expires:

1/7/14

AFTER RECORDING PLEASE RETURN TO:

Hillwood
3090 Olive Street, Suite 300
Dallas, Texas 75219
Attn: Amy R. Reed, Esq.





Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
06/20/2012 03:42:31 PM
\$28.00 DFOSTER
20120620000736770

Stacey Kemp

AFFIDAVIT OF AUTHENTICATION

STATE OF TEXAS §

§

COUNTY OF COLLIN §

BEFORE ME, the undersigned notary public, on this day personally appeared Kim Corniskey, who after being by me first duly sworn, attested and stated as follows:

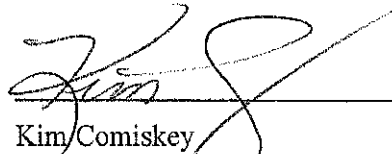
1. My name is Kim Corniskey. I am over 18 years of age, am of sound mind, and am otherwise fully qualified and competent to make this Affidavit. I have personal knowledge of the facts stated in this Affidavit and they are true and correct.

2. I am currently an officer and a director the Board of Directors (the "Board") of The Liberty Homeowners Association, Inc., a Texas non-profit corporation (the "Association") and am a duly authorized and qualified witness to certify the authenticity of the attached Records Policy and Assessments Policy described herein. My office is located at Three Lincoln Centre, 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240.

3. In order to be in compliance with certain recent amendments to Chapter 209 of the Texas Property Code, the Association established and adopted, by unanimous written consent of the Board dated October 31, 2011, policies for the retention, inspection, production and costs associated therewith for the books and records of the Association ("Records Policy") and for the alternative payment of delinquent assessments and other amounts owed to the Association ("Assessments Policy"). A true and correct copy of the Records Policy and Assessments Policy are attached hereto and incorporated herein by reference.

4. In order to be in full compliance Chapter 209 of the Texas Property Code, the Association shall file of record the attached Records Policy and Assessments Policy on or before January 1, 2012.

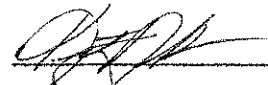
FURTHER, AFFIANT SAYETH NOT.



Kim Comiskey
Duly Authorized Officer

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

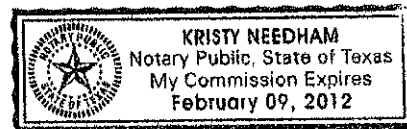
Subscribed and sworn to before me on the 22 day of November, 2011, to certify witness my hand and official seal.



Notary Public in and for the
State of Texas

My commission expires:

2-9-12



AFTER RECORDING PLEASE RETURN TO:

Hillwood
Three Lincoln Centre
5430 LBJ Freeway, Suite 800
Dallas, Texas 75240
Attn: Amy R. Reed, Esq.

**ALTERNATIVE PAYMENT POLICY AND SCHEDULE FOR ASSESSMENTS
FOR
LIBERTY HOMEOWNERS ASSOCIATION, INC.**

("Assessments Policy")

In the event of a conflict of interpretation between the provisions set forth in the Governing Documents, hereinafter defined, of Liberty Homeowners Association, Inc., a Texas non-profit corporation and this Assessments Policy, this Assessments Policy shall govern as the conflict relates to the content set forth herein. If the Act or TNCL, each hereinafter defined, are hereafter amended or changed, this Assessments Policy shall be interpreted in a manner which conforms to the provisions of the Act or the TNCL, whichever is applicable, with respect to payment of Delinquent Assessments and other amounts owed to the Association. Any capitalized terms not defined herein shall have the meaning as set forth in the Governing Documents.

I. DEFINITIONS:

"Act." Chapter 209 of the Texas Property Code, as amended from time to time.

"Association." The Liberty Homeowners Association, Inc., a Texas non-profit corporation, and its successors and assigns, organized under the TNCL, and created for the purposes and possessing the rights, powers, authority and obligations set forth in the Governing Documents, whose address for notice purposes is c/o Hillwood RLD, L.P., 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240 as may be changed by the Association from time to time.

"Assessments." Those assessments described in Article III of the Declaration and as may be further described in the remaining Governing Documents.

"Board." The board of directors of the Association.

"County." Collin County, Texas.

"Declarant Control Period." That certain time period during which Declarant holds any Lot as a Class B Member of the Association as more particularly described in Article II of the Declaration.

"Declaration." Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc., recorded on March 8, 2004, in Volume 5621 Page 05187 as Document No. 2004-0032507 of the Real Property Records of Collin County, Texas, as amended.

"Governing Documents." The Articles, Bylaws, Declaration, Act, supplemental declarations and any other deed restrictions filed of record in the County, the Records Policy, this Assessments Policy and any other design guidelines and architectural standards adopted by the Architectural Control Committee, as each may be amended from time to time.

"Governmental Authority." Any and all applicable courts, boards, agencies, commissions, offices or authorities for any governmental entity (federal, State, County, district, municipal, City or otherwise) whether now or hereafter in existence.

"Legal Requirements." All current judicial decisions, statutes, rulings, rules, regulations or ordinances of any Governmental Authority applicable to the payments of Assessments to the Association.

"Manager." Any professional manager or management company that is engaged by the Association to perform any of the duties, powers or functions of the Association.

"Members." Owners of Lots as described in Article II of the Declaration; and individually, a "Member", including the Class A Members and the Class B Member.

"Membership." The rights and obligations associated with being a Member.

"Minute Book." The minute book of the Association, which shall contain that certain information and documentation as it relates to the Board of Directors and the Association as may required by the Governing Documents including but not limited to the notices provided for and minutes taken of all annual and special meetings of the Members and the Board of Directors and all resolutions of the Board of Directors.

"Owner." Any Person shown as the record owner owning fee simple title to a Lot, but excluding any Person having an interest in a Lot solely as security for an obligation.

"Person." Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association and any other legal entity, including any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing

"Real Property Records." The records of the office of the county clerk of the County where instruments concerning real property are recorded.

"TNCL." The Texas Nonprofit Corporation Law, as amended from time to time.

II. PAYMENT OF ASSESSMENTS:

A. **Due Date.** Regular Assessments are due in the amount and on the dates established in the Declaration, pursuant to Article III thereof, and any other assessments, including special assessments, due and payable in accordance with Article III of the Declaration or as otherwise specified by the Board of Directors in a notice imposing such assessment in accordance with the Act (collectively, "**Due Date**"). Assessments are considered delinquent if not received, payment in full, by the Association on the Due Date ("**Delinquent Date**").

B. **Notice of Delinquent Amounts.** The Association will notify an Owner within 30 days of the Delinquent Date that such Owner's account is delinquent which notice will set forth the following information:

1. Specifies each delinquent amount and the total amount owed to the Association in order to make the account current ("**Delinquent Amounts**");

2. Describes the options Owner has to avoid the account being turned over to a collection agency including the availability of the Payment Plan, hereinafter defined; and
3. Provides 30 days for Owner to cure the delinquency before further collection actions are taken.

The notice requirement set forth in this Article II, Section B was established by and is set forth in the Act. If the Association decides to send any type of "courtesy" notice letter to an Owner after the Due Date has passed, prior to the written notice required in this Article II, Section B, such notice shall be of a courtesy nature only, puts no obligation or requirement on the Association to provide courtesy notices at any time now or in the future and sending such notices may be ceased at any time without notice to any Owner. The written notices required by this Assessments Policy and the Act, to be sent to an Owner regarding Delinquent Assessments, shall be the only notices the Association or Manager, whichever is applicable, is obligated or required to send.

C. Payment Plan. The Act requires the Association to provide an alternative payment plan for Delinquent Amounts owed to the Association ("Payment Plan"). Once the Association has provided the requisite written notice to an Owner for Delinquent Amounts pursuant to Article II, Section B hereof and subject to the eligibility requirements set forth in Article II, Section E, such Owner may enter into a Payment Plan with the Association to pay the Delinquent Amounts.

D. Guidelines for Payment Plan. Once an Owner enters into a Payment Plan ("Plan Date"), such Owner will begin making partial payments to the Association until the Delinquent Amount is paid in full. The Association may use the following timelines and terms as a general guideline for the Payment Plan, however Payment Plans may be customized to meet the needs of individual Owners as may be necessary so long as any customization does not violate this Assessments Policy, the Governing Documents or the Act. In no event will any Payment Plan be offered for a term of less than three months or greater than 18 months from the Plan Date.

12 Month /Equal Payment Plan – 12 equal partial payments of the Delinquent Amounts to be paid to the Association on the same day of each month as set forth in the Payment Plan; if the payment date specified in the Payment Plan falls on a holiday or weekend day, the payment will be due the first Business Day following such holiday or weekend day.

Payment Commencement - First partial payment due under the Payment Plan shall be due and payable 30 days from the Plan Date.

Interest and Fees – additional monetary penalties (late fees, fines for Delinquent Assessments, interest on fines and late fees and similar type penalties) may not be charged to any Owner who participates in a Payment Plan after the Plan Date. Monetary penalties do not include reasonable costs associated with administering the Payment Plan or interest on the Delinquent Amounts.

E. Eligibility for Payment Plan. The Association is not required to enter into a Payment Plan with any Owner who has failed to honor the terms of any previous Payment Plan entered into with the Association for a period of two years following such Owner's default under the previous Payment

Plan. When an Owner is not eligible for a Payment Plan pursuant to this Article II, Section E, all Delinquent Amounts owed to the Association must be paid in full pursuant to the written notice provided to the Owner pursuant to Article II, Section B. The Association shall not be required to accept any partial or installment payments of Delinquent Amounts from the date of the institution of an action to enforce the payment thereof to the time that all such amounts are paid in full.

F. Application of Payments: Except as otherwise set forth in the Act, such as when an Owner is in default of a Payment Plan, payments made under a Payment Plan shall be applied to Owner accounts in the following order of priority:

1. Delinquent Assessments
2. Current Assessments
3. Attorney's fees or third party collection costs
4. Fines
5. Other amounts owed to the Association

G. Default on Payment Plan. If any partial payment on the Payment Plan is not paid on the due date specified in such Payment Plan, and after written notification of such missed payment to Owner ("Payment Plan Default Notice"), Owner fails to make the partial payment within the specified timeframe stated in the Payment Plan Default Notice, the Owner shall be deemed in default of the Payment Plan. Once an Owner is in default of a Payment Plan, the Association may declare the entire remaining unpaid Delinquent Amount immediately due and payable by written notice to the Owner and commence collection proceedings to collect such amount without regard to the Payment Plan.

H. No Response to Payment Plan. In the event an Owner refuses to participate in a Payment Plan either by express refusal or no response to the default notices sent to Owner pursuant to this Assessment Policy, the Act and any other applicable laws, and any applicable cure periods during which the Owner has the opportunity to pay the Delinquent Amounts without further penalty have expired, the Association may declare the Delinquent Amounts immediately due and payable by written notice to the Owner and commence collection proceedings to collect such amounts.

III. **FORECLOSURE**: So long as the Association is in compliance with the Act and other applicable law with regard to collection of Delinquent Amounts, including but not limited to the requirements set forth in this Article III, assessment liens created pursuant to the Declaration may be foreclosed on or enforced by any means available at law or in equity.

A. Notice to Lienholders. The Association may not foreclose an assessment lien unless the Association has provided the requisite notice to any record lien holder on an Owner's property and provided such lien holder an opportunity to cure the Delinquent Amounts pursuant to the Act.

B. Judicial Foreclosure Required. The Association shall strictly follow the rules for expedited foreclosure proceedings of assessment liens adopted by the Texas Supreme Court on or before January 1, 2012, as may be amended.

C. Notice to Owners and Military Servicemembers. Owners who are military servicemembers may be afforded special protection in the event of foreclosure. In order to ensure that the Association affords such persons this protection and follows all applicable law in addition to the Act related to defaulted Owners and foreclosure of real property, it shall comply with the following provisions.

1. The Association shall strictly comply with the Act and Chapter 51 of the Texas Property Code, as amended and shall deliver all notices and follow all procedures required therein as the same may apply to foreclosures resulting from Owners' failure to pay Delinquent Amounts.

2. Notices served upon Owners pursuant to Chapter 51.002(b)(3) and (d) of the Texas Property Code, (b)(3) (*relating to a required written notice of sale*) and (d) (*relating to written notice that a debtor is in default*), must state the name and address of the sender of the notice and contain the following statement in conspicuous, boldface or underlined type:

Assert and protect your rights as a member of the armed forces of the United States. If you are or your spouse is serving on active military duty, including active military duty as a member of the Texas National Guard or the National Guard of another state or as a member of a reserve component of the armed forces of the United States, please send written notice of the active duty military service to the sender of this notice immediately.

3. Pursuant to Chapter 51.015 of the Texas Property Code, foreclosure of an assessment lien created before the date on which a servicemember's active duty military service commences may not be conducted during a military servicemember's period of active duty military service or during the nine months after the date on which that service period concludes unless the foreclosure is conducted under a court order or the military servicemember waived his rights pursuant to and in accordance with Chapter 51.015(e) of the Texas Property Code.

IV. MISCELLANEOUS:

A. Amendments. Notwithstanding any other provision in the Governing Documents or the Act to the contrary, the Board of Directors appointed by the Class B Member (Declarant) during the Declarant Control Period may amend this Assessments Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Upon the expiration or termination of the Declarant Control Period, the Board of Directors elected by the Class A Members may amend this Assessments Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Any amendment to this Assessments Policy shall become effective upon its recordation in the Real Property Records of the County.

B. Effective Date. This Assessments Policy was unanimously adopted by the Board of Directors in that certain written consent entitled Consent of Directors in Lieu of Special Meeting of the Association dated October 31, 2011 and shall be effective as of the date such policy is recorded in the Real Property Records of the County which date shall be no later than January 1, 2012.

RECORDS RETENTION, INSPECTION AND PRODUCTION POLICY
OF
LIBERTY HOMEOWNERS ASSOCIATION, INC.

("Records Policy")

In the event of a conflict of interpretation between the provisions set forth in the Governing Documents, hereinafter defined, of Liberty Homeowners Association, Inc., a Texas non-profit corporation and this Records Policy, this Records Policy shall govern as the conflict relates to the content set forth herein. If the Act or TNCL, each hereinafter defined, are hereafter amended or changed, this Records Policy shall be interpreted in a manner which conforms to the provisions of the Act or the TNCL, whichever is applicable, with respect to books and records of property owner associations. Any capitalized terms not defined herein shall have the meaning as set forth in the Governing Documents.

I. DEFINITIONS:

"Act." Chapter 209 of the Texas Property, as amended from time to time.

"Association." The Liberty Homeowners Association, Inc., a Texas non-profit corporation, and its successors and assigns, organized under the TNCL, and created for the purposes and possessing the rights, powers, authority and obligations set forth in the Governing Documents, whose address for notice purposes is c/o Hillwood RLD, L.P., 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240 as may be changed by the Association from time to time.

"Association Records." Those books and records of the Association as more particularly described in Article I of this Records Policy.

"Board." The board of directors of the Association.

"Business Day." A day other than Saturday, Sunday, or a state or federal holiday.

"County." Collin County, Texas.

"Declarant Control Period." That certain time period during which Declarant holds any Lot as a Class B Member of the Association as more particularly described in Article II of the Declaration.

"Declaration." Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc., recorded on March 8, 2004, in Volume 5621 Page 05187 as Document No. 2004-0032507 of the Real Property Records of Collin County, Texas, as amended.

"Governing Documents." The Articles, Bylaws, Declaration, Act, supplemental declarations and any other deed restrictions filed of record in the County, this Records Policy, the Assessments Policy, and any other design guidelines and architectural standards adopted by the Architectural Control Committee, as each may be amended from time to time.

"Governmental Authority." Any and all applicable courts, boards, agencies, commissions, offices or authorities for any governmental entity (federal, State, County, district, municipal, City or otherwise) whether now or hereafter in existence.

"Legal Requirements." All current judicial decisions, statutes, rulings, rules, regulations or ordinances of any Governmental Authority applicable to the books and records of the Association.

"Manager." Any professional manager or management company that is engaged by the Association to perform any of the duties, powers or functions of the Association.

"Members." Owners of a Lot as described in Article II of the Declaration; and individually, a "Member", including the Class A Members and the Class B Member.

"Membership." The rights and obligations associated with being a Member.

"Minute Book." The minute book of the Association, which shall contain that certain information and documentation as it relates to the Board of Directors and the Association as may required by the Governing Documents including but not limited to the notices provided for and minutes taken of all annual and special meetings of the Members and the Board of Directors and all resolutions of the Board of Directors.

"Owner." Any Person shown as the record owner owning fee simple title to a Lot, but excluding any Person having an interest in a Lot solely as security for an obligation.

"Person." Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association and any other legal entity, including any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing

"Real Property Records." The records of the office of the county clerk of the County where instruments concerning real property are recorded.

"TNCL." The Texas Nonprofit Corporation Law, as amended from time to time.

II. RECORD RETENTION:

A. Required Records. The Association will, at a minimum, retain the following Association Records, in the manner and for the length of time as follows:

1. Governing Documents – the Governing Documents of the Association shall be kept permanently and may be kept in electronic format, in the Minute Book and in any other suitable manner as determined by the Board.
2. Financial Books and Records – financial books and records of the Association shall be retained for at least seven years and may be kept in electronic format, in the Minute Book and in any other suitable manner as determined by the Board.
3. Owner Account Records – records of accounts of Owners shall be maintained by the Association for at least five years and may be kept in electronic format and in any other suitable manner as determined by the Board.
4. Lists – current lists of the names and addresses of members, directors, officers and committee members of the Association shall be maintained at all times by the Association and may be kept in electronic format, in the Minute Book and in any other suitable manner as determined by the Board.
5. Contracts - contracts with a term of one year or more shall be retained for at least four years after the expiration of the contract term and may be kept in electronic format and in any other suitable manner as determined by the Board.

6. Member and Board of Directors Meeting Minutes – the meeting minutes of all Member and Board of Director meetings shall be kept permanently and shall always be placed in the Minute Book. The Association may also keep meeting minutes in electronic format or in any other suitable manner as determined by the Board.
7. Tax Returns – annual tax returns filed for the Association shall be retained for at least seven years and may be kept in electronic format, in the Minute Book and in any other suitable manner as determined by the Board.
8. Architectural Control Committee – applications, approvals, variances and other related documentation issued by the Architectural Control Committee shall be retained for at least five years and may be kept in electronic format and in any other suitable manner as determined by the Board.

B. Other Records. The Association will maintain certain other documents and records as required and in the appropriate manner established by the TNCL or other Governmental Authority as well as any other books and records of the Association required by the Governing Documents and as the Board deems necessary.

III. REQUESTS FOR INSPECTION: The Association shall make the Association Records open and reasonably available for inspection at all times in accordance with the Act.

- A. Requests. All requests to inspect and/or copy Association Records must: 1) be in writing and signed by the requesting Owner or by a person designated in a writing signed by Owner as Owner's agent; 2) contain sufficient detail of the Association Records to be inspected; 3) be mailed by certified mail to the mailing address of the Association or other authorized representative as reflected on the most current management certificate filed of record for the Association; 4) elect to inspect the Association Records prior to obtaining copies or have the Association forward copies of the requested Association Records. The Association shall respond as appropriate to Owner pursuant to the written request and in accordance with the Act on or before the 10th Business Day after the Association receives such request.
- B. Inspection. If an inspection is required or requested, the inspection shall take place at a mutually agreed upon time during normal business hours.

IV. PRODUCTION AND COSTS:

- A. Delivery. If an Owner identifies certain Association Records in its written request, and the Association is in possession, custody or control of such records, the Association shall produce the requested Association Records on or before the 10th Business Day after the date the Association receives the request. If the Association is unable to produce the requested Association Records during such time period, then the Association must notify the requestor that the Association is unable to produce the information on or before the 10th Business Day after the date the Association received the written request (the "Production Notice") and set forth a date in the Production Notice by which the Association will send, or make available, the requested Association Records which date shall not be later than the 15th Business Day after the date the Production Notice is given.
- B. Format. The Association may produce requested Association Records in hard copy, electronic format that prohibits alteration of the documents or other format reasonably available to the Association.

- C. Costs of Production. The Association reserves the right to charge and the Owner is responsible for paying charges for the compilation, production and reproduction of requested Association Records including all reasonable costs for materials, labor and overhead up to the maximum amounts set forth in Title 1, Section 70.3 of the Texas Administrative Code, as may be amended, a copy of which is attached to this Records Policy as Exhibit A. The Association may require advance payment of estimated charges to produce Association Records pursuant to a written request and any shortfalls or overpayments of such estimated charges versus the actual costs to produce shall be settled in accordance with the Act.
- D. Privacy. Except as otherwise provided by the Act, the Association is not required to release or allow inspection of any Association Records that: 1) identify the violation history of an Owner; 2) include an Owner's personal financial information, including any nonpayment of Assessments; or 3) provide information related to an employee of the Association, including personnel files. Information released in accordance with this Records Policy may be provided in an aggregate or summary manner in order to protect the privacy of an Owner and requested Association Records may be redacted to protect confidential, privileged, personal or protected information that is not required to be disclosed by the Act. Notwithstanding the foregoing, the Association, Board of Directors, Declarant or any of their officers, directors, employees, agents or representatives shall be liable for damages to an Owner, or a third party, as the result of identity theft or other breach of privacy because of the failure to withhold or redact an Owner's information unless the failure to withhold or redact the information was intentional, willful, or negligent.
- E. Limitations on Use. The Association Records provided to an Owner pursuant to this Records Policy may not be sold, used for any commercial purposes or any other purpose not directly related to an Owner's interest as a member of the Association and as a property owner. The Association may bring an action against any person who violates this Article IV, Section E for injunctive relief and for actual damages to the Association caused by such violations and may recover reasonable costs and expenses, including reasonable attorney's fees, in a successful action to enforce its rights hereunder.

V. MISCELLANEOUS:

- A. Amendments. Notwithstanding any other provision in the Governing Documents or the Act to the contrary, the Board of Directors appointed by the Class B Member (Declarant) during the Declarant Control Period may amend this Records Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Upon the expiration or termination of the Declarant Control Period, the Board of Directors elected by the Class A Members may amend this Records Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Any amendment to this Record Policy shall become effective upon recordation in the Real Property Records of the County.
- B. Effective Date. This Records Policy was unanimously adopted by the Board of Directors in that certain written consent entitled Consent of Directors in Lieu of Special Meeting of the Association dated October 31, 2011 and shall be effective as of the date such policy is recorded in the Real Property Records of the County which date shall be no later than January 1, 2012.

EXHIBIT A TO RECORDS POLICY

Title 1, Section 70.3 of the Texas Administrative Code

(a) The charges in this section to recover costs associated with providing copies of public information are based on estimated average costs to governmental bodies across the state. When actual costs are 25% higher than those used in these rules, governmental bodies other than agencies of the state, may request an exemption in accordance with §70.4 of this title (relating to Requesting an Exemption).

(b) Copy charge.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

(A) Diskette--\$1.00;

(B) Magnetic tape--actual cost;

(C) Data cartridge--actual cost;

(D) Tape cartridge--actual cost;

(E) Rewritable CD (CD-RW)--\$1.00;

(F) Non-rewritable CD (CD-R)--\$1.00;

(G) Digital video disc (DVD)--\$3.00;

(H) JAZ drive--actual cost;

(I) Other electronic media--actual cost;

(J) VHS video cassette--\$2.50;

(K) Audio cassette--\$1.00;

(L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--\$.50; or

(M) Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.

(c) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.

(1) The hourly charge for a programmer is \$28.50 an hour. Only programming services shall be charged at this hourly rate.

- (2) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.
- (3) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.
- (d) Labor charge for locating, compiling, manipulating data, and reproducing public information.
 - (1) The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.
 - (2) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:
 - (A) Two or more separate buildings that are not physically connected with each other; or
 - (B) A remote storage facility.
 - (3) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:
 - (A) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or
 - (B) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.
 - (4) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).
 - (5) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).
 - (6) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.
- (e) Overhead charge.
 - (1) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.
 - (2) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(3) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $\$15.00 \times .20 = \3.00 ; or Programming labor charge, $\$28.50 \times .20 = \5.70 . If a request requires one hour of labor charge for locating, compiling, and reproducing information ($\$15.00$ per hour); and one hour of programming labor charge ($\$28.50$ per hour), the combined overhead would be: $\$15.00 + \$28.50 = \$43.50 \times .20 = \8.70 .

(f) Microfiche and microfilm charge.

(1) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(2) If only a master copy of information in microfilm is maintained, the charge is \$.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

(g) Remote document retrieval charge.

(1) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(2) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

(h) Computer resource charge.

(1) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(2) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(3) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--\$10 per CPU minute; Midsized--\$1.50 per CPU minute; Client/Server--\$2.20 per clock hour; PC or LAN--\$1.00 per clock hour.

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows:

$\$10 / 3 = \3.33 ; or $\$10 / 60 \times 20 = \3.33 .

(5) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

(i) Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

(j) Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

(k) Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).

(l) Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

(m) These charges are subject to periodic reevaluation and update.



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
11/28/2011 10:53:55 AM
\$72.00 DLAIRD
20111128001277110

**NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
LIBERTY**

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN §

THIS NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR LIBERTY
(this "Notice") is made this 29th day of September 2010, by the Liberty Homeowners Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, Hillwood RLD, L.P., a Texas limited partnership (the "Declarant"), prepared and recorded an instrument entitled "Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc.", recorded on March 8, 2004, under Instrument No. 20040308000325070, of the Deed Records of Collin County, Texas (the "Declaration"), as amended and supplemented from time to time; and

WHEREAS, the Association is the property owners' association created by the Declarant to manage or regulate the planned development subject to the Declaration, which development is more particularly described in the Declaration; 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 instrument in the real property records of Collin County, Texas, pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instrument attached hereto as Exhibit "A" is a true and correct copy of the original and is hereby filed of record in the real property records of Collin 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.

LIBERTY HOMEOWNERS ASSOCIATION, INC.,
a Texas non-profit corporation

By: *Angie Mastrolola*

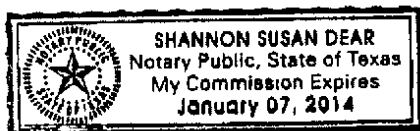
Its: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared *Angie Mastrolola*, SVP of Liberty Homeowners Association, Inc., known to me to be the person whose name is subscribed 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 21 day of September, 2010.



Shannon Dear

Notary Public
State of Texas

My Commission Expires

AFTER RECORDING, RETURN TO:

Lance E. Williams, Esq.
Riddle & Williams, P.C.
3710 Rawlins Street, Suite 1400
Dallas, Texas 75219

G:\Notice ded\LibertyHOA NOF

EXHIBIT "A"

DEDICATORY INSTRUMENT

- I. Assessment Collection Policy

LIBERTY HOMEOWNERS ASSOCIATION, INC.

ASSESSMENT COLLECTION POLICY

WHEREAS, the Association has authority pursuant to Article III of the Declaration of Covenants, Conditions and Restrictions for Liberty Homeowners Association, Inc. (the "Declaration") to levy assessments against Owners of Lots located within Liberty, a planned community located in the City of Melissa, Collin County, Texas (the "Development"); and

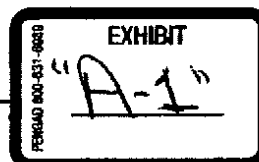
WHEREAS, the Board finds there is a need to establish orderly procedures for the collection of assessments that remain unpaid beyond the prescribed due dates and the application of the payments made by Owners in order to encourage Owners to promptly pay their assessment obligations.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by Owners in the Development and the application of payments made by Owners and the same are to be known as the "Assessment Collection Policy" ("Policy") for the Association in the discharge of its responsibilities regarding collection of assessments against Owners and their Lots:

1. **Policy Objectives.** The Association will pursue collection of all assessments and related costs, including Annual Assessments, Special Assessments, and Default Assessments in the most expedient and cost-effective manner possible, subject to the provisions of the Declaration and this Policy. The Association may delegate to management those duties determined by the Board in its sole discretion to be necessary to accomplish the foregoing objectives.

2. **Ownership Interests.** The person who is the Owner of a Lot as of the date an assessment becomes due is personally liable for the payment of that assessment. Further, the personal liability for unpaid assessments passes to the successors in title to a Lot only if expressly assumed by them. As used herein, the term "Delinquent Owner" refers to that person who held title to a Lot on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who then holds title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

3. **Due Dates.** Pursuant to Article III of the Declaration, the due date for the Annual Assessment is the first day of the period for which levied. The Board may levy Annual Assessments annually, semi-annually, quarterly or monthly. Currently, the Annual Assessments are levied semi-annually and are due on February 1 and August 1 of each year. The due date for a Special Assessment or Default Assessment is the date stated in the notice of assessment or, if no date is stated, within ten (10) days after the notice of the assessment is given. The due date for any assessment shall be collectively referred to in this Policy as the "Due Date". Any assessment which is not paid in full within thirty (30) days of the Due Date is delinquent (the "Delinquency Date") and shall be assessed late fees, handling charges and interest as provided in Paragraphs 5 and 6 below.



4. Default Letter. If an assessment, or any installment thereof, has not been paid within thirty (30) days following the Due Date, the Association will send a notice (referred to as the "Default Letter") to the Owner making formal demand for payment of all outstanding amounts. The Default Letter will be sent via certified mail, return receipt requested, and via first-class United States mail and will, at a minimum, include the following information: The unpaid assessments, late charges, interest, and collection costs claimed to be due.

5. Interest. In the event any assessment, or any portion thereof, is not paid in full within thirty (30) days of the Due Date, interest on the principal amount due may be assessed against the Owner, the rate of said interest to be eighteen percent (18%) per annum and shall accrue from the Delinquency Date until paid. Such interest, as and when it accrues hereunder, will become part of the assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein for assessments.

In the event any assessment, or any portion thereof, is not paid in full within thirty (30) days of the Due Date, a late charge in the amount of \$25.00 shall be assessed against the Owner and his or her Lot. The Board may, from time to time, without the necessity of seeking Owner approval, change the amount of the late charge. Such late charge, as and when levied, will become part of the assessment upon which it has been levied and, as such, will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any future assessments or late charges.

6. Handling Charges and Return Check Fees. In order to recoup for the Association the costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of this Policy:

a. Any handling charges, administrative fees, collection costs, postage or other expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner.

b. A charge of \$25.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

c. Any fee or charge becoming due and payable pursuant to this Paragraph 6 will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

7. Application of Funds Received. All monies received by the Association will be applied to amounts outstanding to the extent of and in the following order unless an Owner has placed a restrictive notation on the check or other form of payment or in correspondence accompanying the payment that a payment is to be applied in another specified manner:

- a. First, to late charges;
- b. Next, to interest charges;
- c. Next, to handling charges, returned check fees and collection costs incurred by the Association;
- d. Next, to attorney's fees and related costs advanced by the attorney for and on behalf of the Association;
- e. Next, to delinquent Special Assessments and Default Assessments;
- f. Next, to Annual Assessments;
- g. Next, to outstanding Special Assessments or Default Assessments, though same may not then be delinquent;
- h. Last, to outstanding Annual Assessments, though same may not then be delinquent.

8. Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

9. Notification of Owner's Representative. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such representative or agent.

10. Referral to Legal Counsel. If an Owner remains delinquent in the payment of assessments and related costs for more than thirty (30) days after the sending of the Default Letter (as provided for above), Management, on behalf of the Board, or the Board may, as soon as possible thereafter, refer the delinquency to the legal counsel for the Association for the legal action as required by this Policy. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the assessment obligation and may be collected as such as provided herein.

11. Legal Action. Legal counsel for the Association will take the following actions with regard to delinquencies referred to it upon legal counsel's receipt of a written request by

Management and/or the Board to take a specific collection action:

a. Notice Letter. As the initial correspondence to a Delinquent Owner, counsel will send a demand letter (the "Notice Letter") to the Owner advising the Owner of the Association's claim for all outstanding assessments and related charges, adding to the charges the attorney's fees and costs incurred for counsel's services. The Notice Letter will inform the Owner that the Owner may dispute the validity of the amounts owing, in writing, within thirty (30) days of the Owner's receipt of the Notice Letter. If the amounts owing are disputed, Management and/or Legal Counsel will provide verification of the amounts claimed to be due.

b. Title Search. If a Delinquent Owner fails to pay the amounts set forth in the initial Notice Letter sent by counsel or fails to dispute the amounts within the allotted thirty (30) day period, counsel will, upon direction from the Board and/or Management, order a search of the land records to verify current ownership of the Lot on which the delinquency exists. If the title report indicates that the Current Owner is other than the Delinquent Owner, counsel will communicate that fact to the Association. A determination will then be made by the Board whether to pursue collection of the unpaid assessments from the Delinquent Owner or the Current Owner or both. Based on that determination, the Board and/or Management will direct counsel to proceed according to this Policy. Where the title report confirms that the Current Owner is the Delinquent Owner, the Association, Management and counsel will likewise proceed according to this Policy.

c. Notice of Lien. Where the Board has determined that foreclosure of the Association's assessment lien is to be pursued, if an Owner fails to pay in full all amounts indicated by the Notice Letter by the date specified or fails to dispute the debt within the allotted thirty (30) day period, counsel, upon being requested to do so by the Board and/or Management, will cause to be prepared, executed by a duly authorized agent of the Association, and recorded in the Real Property Records of Collin County, a written notice of lien (referred to as the "Notice of Lien") setting forth therein the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot covered by the lien. A copy of the Notice of Lien will be sent to the Owner contemporaneously with the filing of same with the County Clerk's office, together with an additional demand for payment in full of all amounts then outstanding, within thirty (30) days of the date of the transmittal to the Owner of the Notice of Lien.

d. Non-judicial foreclosure. When the Board has directed that the collection action to be taken is non-judicial foreclosure of the assessment lien, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued delinquency of unpaid assessments owing will be reported to the Board by Management. As soon as practical thereafter, the Board and/or Management will direct counsel to initiate non-judicial foreclosure of the Lot, pursuant to Texas law. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its assessment lien.

e. Judicial Foreclosure/Personal Judgment. When the Board has directed that the collection action to be taken is a suit for personal judgment against the Owner and/or for foreclosure of the assessment lien, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued delinquency of unpaid assessments owing will be reported to the Board by Management. As soon as practical thereafter, the Board and/or Management will direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking foreclosure of the assessment lien and/or recovery of a personal judgment against the Current Owner and, where different, the Delinquent Owner, or from the Current Owner only, for all amounts owing arising from the unpaid assessments and the collection thereof, including all attorney's fees and costs.

12. Lock Boxes. The Association may establish a lock box for the receipt of assessment payments. Payments made to the lock box are deposited in the Association's bank account without regard to communications or other notices enclosed with or stated on the payment. Any notice or communication (including, without limitation, a dispute of the debt) enclosed with or stated on the payment to the lock box will be ineffective and not binding on the Association. Any dispute of an assessment or related charge, any proposed tender of an amount less than the entire amount claimed to be due which is intended to satisfy the Owner's debt in full, or any change in the identity, status or address of an Owner, must be in writing, sent to and received by Management at its corporate office.

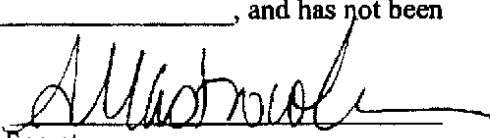
13. Compromise of Assessment Obligations. In order to expedite the handling of collection of delinquent assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any assessment, interest, late charge, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any assessment obligation.

14. Credit Bureaus. The Association may also notify any credit bureau of an Owner's delinquency. The Association will notify the Owner that it has filed such a report and will comply with any local, state, or federal laws in connection with the filing of such report.

IT IS FURTHER RESOLVED that this Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the collection of assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on _____, and has not been modified, rescinded or revoked.

DATE: 9-21-10


Secretary

F collection, Liberty

Ninth page blank for County Clerk use only

(NOF for Liberty)



**Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
09/29/2010 10:47:06 AM
\$48.00 DLAIRD
20100929001041280**

Stacey Kemp



20091111001377530 11/11/2009 01:41:19 PM AM 1/3

**SECOND AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LIBERTY HOMEOWNERS ASSOCIATION, INC.
CITY OF MELISSA,
COLLIN COUNTY, TEXAS**

This SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LIBERTY HOMEOWNERS ASSOCIATION, INC. ("**Second Amendment**") is made this 27th day of October, 2009 by RLD, L.P., a Texas limited partnership (the "**Declarant**");

WITNESSETH:

WHEREAS, Declarant recorded that certain Declaration of Covenants, Conditions and Restrictions dated March 3, 2004, and recorded March 8, 2004, under Document No. 2004-0032507, Volume 5621 05186 - 05256 of the Real Property Records of Collin County, Texas (the "**Declaration**"); and

WHEREAS, Declarant recorded that certain First Amendment to Liberty Declaration of Covenants, Easements and Restrictions dated August 22, 2005, and recorded September 13, 2005, under Document No. 2005-0127945, Volume 6001 00469 - 00470 of the Real Property Records of Collin County, Texas ; and

WHEREAS, this Second Amendment has been duly approved in accordance with **Article XIII, Section 13.1** of the Declaration;

NOW THEREFORE, pursuant to the powers retained by the Declarant under the Declaration, Declarant hereby amends the Declaration as set forth below. This Second Amendment is to become effective as of January 1, 2010.

1. **Section 3.1** is hereby amended to change the Initiation Fee as stated therein from \$200.00 to \$250.00.

2. **Section 3.3(c)** is amended and restated to read as follows:

"(c) Effective as of January 1, 2010, in addition to the regular assessments set forth in Section 3.1, and the special assessments set forth in Section 3.4 below, an initiation fee shall be payable at the time of the acquisition of a lot and simultaneously therewith as follows: [i] Owner -- \$250.00; and [ii] Builder-- \$175.00

The initiation fees will supplement the funds of the Association provided in Section 3.1.

3. Except as modified by this Second Amendment and the First Amendment referenced above, the Declaration shall remain in full force and effect.

EXECUTED as of the date stated above to become effective January 1, 2010.

HILLWOOD RLD, L.P.,
a Texas limited partnership

By: Hillwood Operating, L.P.,
a Texas limited partnership,
its general partner

By: Hillwood Development Corporation, LLC,
a Texas corporation, its general partner

By: *A. Mastrocolo*
Name: *A. Mastrocolo*
Title: *Sr. V.P.*

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

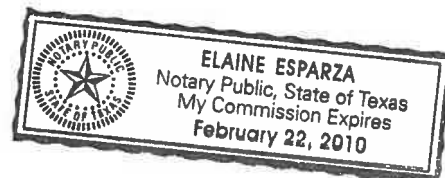
This instrument was acknowledged before me on the *27th* day of *October*, 2009, by *A. Mastrocolo*, *Sr. V.P.* of Hillwood Development Corporation, a Texas corporation, the general partner of Hillwood Operating, L.P., a Texas limited partnership, the general partner of Hillwood RLD, L.P., a Texas limited partnership, in behalf of said entities.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this *27th* day of *October*, 2009.

Elaine Esparza
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Hillwood
Three Lincoln Centre
5430 LBJ Freeway, Suite 800
Dallas, Texas 75240
Attn: Elaine Esparza





Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
11/11/2009 01:41:19 PM
\$24.00 BNOPP
20091111001377530



Stacey Kemp

**FIRST AMENDMENT
TO
LIBERTY
DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS**

This FIRST AMENDMENT TO DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS ("First Amendment") is made this 22nd day of August, 2005 by RLD, L.P., a Texas limited partnership (the "Declarant");

WITNESSETH:

WHEREAS, Declarant recorded that certain Declaration of Covenants, Easements and Restrictions dated March 3, 2004, and recorded March 8, 2004, under Document No. 2004-0032507, Volume 5621 05186 - 05256 of the Real Property Records of Collin County, Texas (the "Declaration"); and

WHEREAS, the amendment set forth below has been duly approved in accordance with Article XIII Section 13.1 of the Declaration;

NOW, THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby amends the Declaration as follows:

1. Section 5.5. Uses Specifically Prohibited.

Section 5.5 (r) is hereby deleted in its entirety and replaced with the following provision:

Section 5.5 (r) Signs. "For Rent" or "For Lease" signs are prohibited and shall not be displayed to the public view on the Property except that:

(r.1) Declarant may erect and maintain a sign or signs deemed by it to be reasonable and necessary for the construction, development, operation, promotion and sale of the Lots.

(r.2) Any Builder, during the construction and sale of a Residence, may utilize professional signs (of not more than six (6) square feet in size) on each Lot which it owns for advertising and sales promotion.

(r.3) One "For Sale" sign (of not more than six (6) square feet in size) may be utilized on a Lot by the homeowner of that Lot for the sale of that Lot and its improvements.

(r.4) Two small, professionally fabricated signs indicating that the Lot is protected by a security system and monitored by a professional security company may be placed on a Lot.

COUNTY CLERK'S MEMO
PORTIONS OF GAS
BOOKS AND LOT
RECORDS FILED
WHEN FILED

(r.5) Political signs are allowed provided that they are in compliance with applicable Texas law governing political signs and with the Design Guidelines.

(r.6) Personal signs indicating school affiliations, birth announcements and similar type signs may be erected on a Lot provided they are in compliance with the Design Guidelines.

(r.7) No sign may be placed on the Common Property or the entrance areas to the Development without written approval of the Board.

No Owner shall engage in any picketing on any Lot, easement, right-of-way or Common Area within or adjacent to the Community, nor shall any Owner park, store or drive any vehicle in or adjacent to the Community which bears or displays 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, Builder or the Declarant.

The Board or its agents shall, without notice, have the right, but not the obligation, to remove any sign, billboard or other advertising structure that does not comply with this Section and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal. In addition to any other remedy provided herein for the enforcement of violations of the Governing Documents, the failure to comply with this Section 5.5 (r) will subject any Owner to a fine of up to \$100.00 per day per sign for each day such Owner fails to comply with this Section. The Board shall have the right to erect signs as it deems appropriate. All signs are to be in compliance with the sign ordinance of the City.

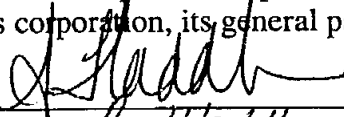
2. Except as modified by this Amendment, the Declaration shall remain in full force and effect.

EXECUTED effective as of the day and year first written above.

HILLWOOD RLD, L.P.,
a Texas limited partnership

By: Hillwood Operating, L.P.,
a Texas limited partnership,
its general partner

By: Hillwood Development Corporation, LLC
A Texas corporation, its general partner

By: 
Name: B. Waddle
Title: W.P.

STATE OF TEXAS §
 §
 COUNTY OF DALLAS §

This instrument was acknowledged before me on the 22nd day of August, 2005, by *A. Maddle*, Vice President of Hillwood Development Corporation, a Texas corporation, the general partner of Hillwood Operating, L.P., a Texas limited partnership, the general partner of Hillwood RLD, L.P., a Texas limited partnership, in behalf of said entities.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of August, 2005.



Elaine Esparza
 Notary Public, State of Texas

AFTER RECORDATION RETURN TO:

Hillwood
 Three Lincoln Centre
 5430 LBJ Freeway, Suite 800
 Dallas, Texas 75240
 Attn: Elaine Esparza

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
 (THE STATE OF TEXAS)
 I hereby certify that this instrument was FILED in the File Number Sequence on the date and the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Collin County, Texas on

SEP 13 2005

Brenda Taylor



Filed for Record in:
 Collin County, McKinney-TX
 Honorable Brenda Taylor
 Collin County Clerk

On Sep 13 2005
 At 8:47am

Doc/Num : 2005- 0127945

Recording/Type:AM 18.00
 Receipt #: 36847

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LIBERTY HOMEOWNERS ASSOCIATION, INC.
CITY OF MELISSA,
COLLIN COUNTY, TEXAS**

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LIBERTY HOMEOWNERS ASSOCIATION, INC. (the "Declaration"), is made and executed this 3rd day of March, 2004, by Hillwood RLD, L.P., a Texas limited partnership ("Declarant").

RECITALS:

- A. Declarant is the owner of all of the Liberty Property.
- B. Declarant intends for the Liberty Property to be developed as a single-family residential subdivision.
- C. Declarant desires to now establish covenants, conditions, and restrictions upon the Liberty Property and each and every Lot contained therein, in order to establish a general plan for the development of the Liberty Property.
- D. Declarant desires to establish Common Areas and easements on, over and across portions of the Liberty Property for the mutual benefit of all Owners from time to time of Lots within the Liberty Property in accordance with the terms of the Bylaws, the Articles, or this Declaration.
- E. Declarant has created Liberty Homeowners Association, Inc. as a non-profit homeowners association for the purposes set forth in the Articles. Declarant requires that the Owners of Lots become Members of the Association and enjoy the benefits of membership in the Association and be subject to the burdens of Association membership, all as more fully set forth in the Bylaws, the Articles or this Declaration.
- F. Declarant further desires to provide the opportunity for the eventual annexation of Future Phases of the property covered by this Declaration.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that (a) the Property shall be held, sold, transferred and conveyed subject to the easements, covenants, conditions and restrictions set forth in this Declaration; and (b) these covenants, conditions, restrictions and easements shall run with the land comprising the Property or any part thereof, and shall inure to the benefit of each owner of all or a part of the Property.

ARTICLE 1

DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

"Architectural Control Committee" and/or **"ACC"** shall mean and refer to the architectural review body for the Property, as described in Article VII.

"Articles" shall mean and refer to the Articles of Incorporation of the Liberty Homeowners Association, Inc., as may be amended from time to time. The initial Articles are attached hereto as Exhibit "C".

"Assessments" shall mean and refer to the regular annual assessments, the special assessments and the default assessments provided in Section 3.1 hereof.

"Association" shall mean and refer to the Liberty Homeowners Association, Inc., a Texas non-profit corporation.

"Board" shall mean the Board of Directors of Liberty Homeowners Association, Inc.

"Bylaws" shall mean and refer to the Bylaws of the Liberty Homeowners Association, Inc., as may be amended from time to time. The initial Bylaws are attached hereto as Exhibit "B".

"City" shall mean the City of Melissa, Texas.

"City Council" shall mean the City Council of the City of Melissa, Texas.

"Common Areas" shall mean and refer to the sum of (a) the Common Areas as may be described in the Final Plat and (b) (i) the Swim Club Facilities, the Playground Facilities and the Amenity Center Property, unless and until the Amenity Center Property shall be deemed a "Lot" (which Declarant reserves the right to do during the Class B Member period), (ii) the Screening Wall and Entry Improvements, (iii) the Landscaping Improvements, (iv) the Playground Facilities, (v) any other areas designated as "Common Areas" by the Board, and (vi) any other real property and any other easements, licenses, leaseholds, rights, rights-of-way and other interests in real property, and the improvements thereon, within the Property which have not been separately platted as a Lot on which a Residence will be constructed or dedicated to the City or another governmental authority: provided, however, additional property constituting a portion of the Future Phases of Liberty may be annexed into the Common Areas by Declarant as provided in Article X.

4 **"Common Facilities"** shall mean and refer to the Common Areas and any improvements located thereon.

"County" shall mean Collin County, Texas.

"Declarant" shall mean and refer to HILLWOOD RLD, L.P., a Texas limited partnership, its successors and any assignee, other than an Owner, who shall receive by assignment from the said Hillwood Operating L.P., all or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

"Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Properties which is designated and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

"Entry Areas" shall mean those Common Areas as shown on the Plats near or adjacent to the subdivision entrances for the Properties.

"Future Phases of Liberty" shall mean and refer to any tracts of land adjacent to the Liberty Property now or hereafter owned by Declarant or an affiliate of Declarant.

"HOA Budget Fund" shall mean the regular annual assessments collected by the Association from time to time in accordance with the provisions of Section 3.1 hereof.

"Liberty" shall mean and refer to the residential community arising out of the development and improvement of the Properties with Dwelling Units and the use and occupancy of the Properties as a residential subdivision including any and all additional real property (and the improvements thereon) which Declarant or its assignee hereafter subjects to this Declaration, in accordance with Article X hereof.

"Liberty Property" and "Property" means all that certain land described in Exhibit "A" hereto.

"Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Properties or a Subdivision which is shown as a lot thereon and which is or is to be improved with a Dwelling Unit.

"Member" shall mean and refer to each Owner as provided herein in Article II.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure.

“**Plat**” shall mean the final subdivision plat of the Liberty, an addition to the City of Melissa, Collin County, Texas, or the final plat of any Subdivision, recorded or to be recorded in the Plat records of Collin County, Texas, pertaining to the Properties.

“**Properties**” shall mean the Property plus Future Phases of Liberty, if and when any additional phases have been made subject to the terms of this Declaration.

“**Resident**” shall mean and refer to each person (whether or not an Owner or Member) authorized by an Owner to reside within such Owner’s Dwelling Unit.

“**Reviewer**” shall mean the entity having jurisdiction in a particular case, as provided in Article VII, whether Declarant, its designee, or the ACC.”

“**Subdivision**” shall mean Liberty.

“**Supplemental Declaration**” shall mean a recorded instrument which accomplishes one or more of the following purposes: (i) subjects additional real property to this Declaration, or (ii) imposes, expressly or by reference, additional restrictions, covenants, easements and/or obligations on the land described.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 2.1 Membership. Every Owner of a Lot shall automatically be a Member of the Association.

Section 2.2 Class of Membership. The Association shall have two classes of voting membership.

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B. The Class B Member shall be the Declarant. Until such time as all Lots held by the Class B Member have been sold and conveyed, all votes of the Association shall be cast solely by the Class B Member, to the exclusion of the Class A Members. At such time as all Lots held by Class B Member have been sold and conveyed then the Class B membership of the Declarant in the Association shall terminate and all votes shall thereafter be cast solely by Class A Members.

Section 2.3 Quorum and Notice Requirements.

(a) Except as expressly provided herein to the contrary, any action of the Members shall require the assent of a majority of the votes of those Association Members who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which shall be given to all Members not less than ten (10) days nor more than fifty (50) days in advance and shall set forth the purpose of such meeting.

(b) A quorum is required for any action referred to in Section 2.3(a) and, unless otherwise provided, for any action for which a percentage vote at a meeting is required. A quorum shall be determined as set forth in this Section 2.3(b). The first time a meeting is called, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast at least twenty-five percent (25%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. If the required quorum is not present at the meeting, additional meetings may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting, or the process must then be repeated.

(c) Except as specifically set forth in this Declaration, notice, voting and quorum requirements of any action to be taken by the Association shall be set forth in its Articles of Incorporation (herein so called) and Bylaws (as same may be amended from time to time).

ARTICLE III

COVENANT FOR ASSESSMENTS

Section 3.1 Creation of the Lien and Personal Obligation for Assessments.
Each Owner of a Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance), for each Lot owned by any such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association): (a) annual assessments or charges, to be paid in installments as the Board may elect, (b) special assessments for capital improvements and/or unanticipated expenses (including, without imitation, pursuant to Sections 3.5 and 4.1(b)(vi) hereof), such assessments to be fixed, established and collected from time to time as hereinafter provided, (c) default assessments which may be assessed against an Owner's Lot by the Board at any time and from time to time to reimburse the Association for costs and expenses incurred on behalf of such Owner by the Association in accordance with this Declaration, and **Initiation Fee of \$200.00** to be paid upon conveyance of a lot to an Owner. The payment dates with respect to each Lot shall commence upon the date on which title to such Lot has been conveyed to a purchaser of a completed Dwelling Unit. The regular annual assessments collected by the Association shall constitute the "HOA

"Budget Fund" of the Association. The regular annual, special and default assessments, together with such interest thereon and costs of collection thereof as hereinafter provided (collectively "Assessments", shall be a charge on the land and shall be a continuing lien upon each Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the Assessment became due.

Section 3.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health and welfare of the residents of the Properties, and in particular for the payment of all costs and expenses related to Common Facilities Maintenance, including without limitation services, equipment and facilities devoted to this purpose, including, but not limited to, the payment of all costs and expenses incurred for carrying out the duties of the Board as set forth in Article IV hereafter and for carrying out the purposes of the Association as stated in its Articles of Incorporation.

Section 3.3 Basis and Amount of Assessments.

a): Until adjusted pursuant to the terms of Section 3.3(b), the initial regular assessments shall be *\$32 per month per Lot*, billed \$192 semi-annually, payable in advance on February 1 and August 1 of each year ("Assessment Date").

b) The amount of the annual Assessment shall remain the same until the Board, at its annual meeting, shall set the amount of the annual Assessment for the following year for each Lot in each Subdivision as a different amount, taking into consideration the current maintenance costs and the future needs of the Association; provided that, in no event shall the annual Assessment for each Lot in each Subdivision which is subject to being assessed for any year exceed the annual Assessment levied by the Board for each such Lot for the immediately preceding year by more than fifteen (15%) percent except only in the case of unusual or extraordinary costs and expenses to be paid by the Association as determined from time to time by the Board.

(c) In addition to regular assessments set forth above and special assessments set forth in Section 3.4 below, each Owner shall be obligated at the time of the purchase of a Lot by such Owner and simultaneously therewith, to pay to the Association the sum of Two Hundred Dollars (\$200.00) as an initiation fee to supplement the funds of the Association provided in Section 3.1 hereof.

Section 3.4 Special Assessments for Capital Improvements. In addition to the annual Assessments authorized by Section 3.3 above, the Association may levy in any Assessment year a special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, any unanticipated cost or expense related to the Common Facilities or for the cost of any construction or reconstruction, unexpected repair or replacement, of a described capital improvement, including the necessary fixtures and personal property related to the Common Areas; provided that any such Assessment for capital improvements shall have the assent of [i] fifty-one percent (51%) of the Members

present and voting in person or by proxy at a meeting in which a quorum is present duly called for this purpose, or (ii) the written consent of fifty-one percent (51%) of all of the Members of the Association entitled to vote in lieu of a meeting for such purpose.

Section 3.5 Rate of Assessment. Both regular annual Assessments and special Assessments shall be fixed at a uniform rate for all Lots within the Subdivision.

Section 3.6 Date of Commencement of Assessments; Due Date.

a) The initial regular Assessment provided for in Section 3.3(a) above shall commence and be payable in advance on the Assessment Dates provided therein. Thereafter, annual and special Assessments shall be paid ~~semi-annually on such date in~~ the amount designated by the Board unless another and different payment schedule is determined by the Board. For purposes of the annual assessment, if the date on which an Owner takes title and becomes liable for Assessments ("Date of Commencement") falls on other than the Assessment Date, the initial regular Assessment for such Owner shall be prorated by the number of days remaining before the next succeeding Assessment Date and shall be payable in advance of the Date of Commencement.

b) The due date or dates, if it is to be paid in installments, of any special Assessment under Section 3.4 above shall be fixed in the resolution authorizing such Assessment.

Section 3.7 Duties of the Board with Respect to Assessments.

(a) The Board shall fix the amount of the annual regular Assessments against each Lot for the succeeding year at its annual meeting. At least thirty (30) days in advance of each Assessment Date the Board shall prepare a roster of the lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(b) Written notice of the Assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Board shall upon demand at any time furnish to any Owner liable for each Assessment a certificate in writing signed by an officer of the Association, setting forth whether such Assessment has been paid. Each such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

Section 3.8 Effect of Non-Payment of Assessment: The Personal Obligation of the Owner, the Lien, Remedies of Association.

a) If any Assessment or any part thereof is not paid on the date(s) when due (being the dates specified by the Board pursuant to Section 3.6 above), then the unpaid amount of such Assessment shall become delinquent and shall, together with such interest thereon and the costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot of the non-paying Owner which shall bind such Lot

in the hands of the then Owner, his heirs, executors, devisees, personal representatives and assigns. The personal obligation of an Owner to pay such Assessment which arises during his ownership of a Lot, however, shall remain his personal obligation and the personal liability for any such Assessment shall not pass to his successors in title unless expressly assumed by them. Notwithstanding the foregoing, the 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 escape liability for the Assessments provided herein by non-use of the Common Facilities or abandonment of his Lot.

b) In furtherance of the Lien provided in Section 3.8(a) above, and to secure the full and timely payment of all Assessments and other amounts payable by each Owner hereunder, each Owner does hereby grant and convey unto Declarant, in trust as Trustee (the "Trustee"), the Lot; provided, that each such grant shall be subordinated to the lien of any mortgage or deed of trust only to the extent provided in Section 3.9 below; and for these purposes the provisions of this paragraph shall be deemed to have created a deed of trust (the "Deed of Trust") covering all of the lots with a power of sale granted to the Trustee in accordance with the provisions of Chapter 51 of the Texas Property Code (the "Code"), as it may be amended from time to time. The Deed of Trust created hereby shall be upon the same terms and conditions, and shall provide to the Association all of the rights, benefits and privileges, of the Deed of Trust promulgated by the State Bar of Texas for use by lawyers designated as Form No. 2402, and all amendments, modifications and substitutions thereof, which form is hereby incorporated by reference for all purposes hereof. The Association, acting through its president, shall have the right in its sole discretion at any time, and from time to time, to appoint in writing a substitute or successor Trustee who shall succeed to all rights and responsibilities of the then acting Trustee.

c) Without limitation of the remedies available to the Association and to the other owners upon the occurrence of a default by any Owner in the payment of any Assessment or other amount due and payable hereunder, the Association may, at its election and by and through the Trustee, sell or offer for sale the Lot owned by the defaulting Owner to the highest bidder for cash at public auction in accordance with the provisions of the Code. The Association may, at its option, accomplish such foreclosure sale in such manner as permitted or required by the Code or by any other present or subsequent laws relating to the same. After the sale of any Lot in accordance with the provisions of the paragraph, the Owner of such Lot shall be divested of any and all interests and claims thereto, and the proceeds of any such sale shall be applied in the following order of priority: (i) to the payment of the costs and expenses of taking possession of the lot, (ii) to the payment of reasonable Trustee's fees, (iii) to the payment of costs of advertisement and sale, (iv) to the payment of all unpaid Assessments and other amounts payable by such Owner to the Association hereunder, and (v) to the defaulting Owner or to any other party entitled thereto. The Association shall have the right to become the Purchaser at the sale of any Lot hereunder and shall have the right to be credited on the amount of its bid therefor all of the Assessments due and owing by the defaulting Owner to the Association as of the date of such sale.

(d) If any Assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from the date of delinquency at the maximum legal rate of interest, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the lot subject thereto, and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint (including reasonable attorneys' fees) in such action, and in the event a judgment is obtained such judgment shall include interest on the Assessment as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action. In addition to interest on delinquent amounts as set forth above, each delinquent Owner shall be obligated to pay a late charge with respect to any Assessment which is not paid within thirty (30) days after the date due as determined from time to time by the Board.

Section 3.9 Subordination of the Lien to Mortgages. The lien securing the payment of the Assessments and other obligations provided for herein shall be superior to any and all other charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon any Lot whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, except for:

(a) bona fide first mortgage or deed of trust liens for purchase money and/or home improvement purposes placed upon a Lot, including without limitation institutional mortgages and Eligible Mortgages, in which event the Association's lien shall automatically become subordinate and inferior to such first lien,

b) liens for taxes or other public charges as are by applicable law made superior to the Association's lien; and

(c) such other liens to which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association's lien; provided however, such subordination shall apply only to (i) the Assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such first mortgage or deed of trust or tax lien; and (ii) the permitted lien on the Lot alone. Such sale shall not relieve such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performing its functions hereunder.

Section 3.10 Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charge and lien created herein:

a) All properties dedicated and accepted for maintenance by the City or any other local public authority and devoted to public use.

b) All Common Areas as defined in Article I hereof.

c) All areas reserved by the Declarant on the recorded plat of the Properties.

(d) All Lots owned by Declarant.

(e) All parcels of land owned by Liberty Homeowners Association, Inc.

(f) All builder-owned lots.

ARTICLE IV

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

Section 4.1 Powers and Duties.

(a) The Board, for the benefit of the Properties and the Owners, shall provide, and shall pay for out of the HOA Budget Fund provided for in Section 3.1 above, the following:

(i) Care, preservation and maintenance of the Common Facilities, and the purchase and upkeep of any desired personal property used in connection with the maintenance of the Common Facilities.

(ii) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

(iii) Legal and accounting services.

(iv) If deemed appropriate by the Board, 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 an amount not less than \$100,000 to indemnify against the claim of one person, \$300,000 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$100,000 per occurrence, which policy or policies shall contain an endorsement providing that the rights of the named insureds shall not be prejudiced with respect to actions against other named insureds.

(v) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

(vi) Such fidelity bonds as the Board may determine to be advisable.

(vii) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, 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 operation or protection of the Association or for the enforcement of this Declaration.

(b) The Board shall have the following additional rights, powers and duties:

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

(ii) To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to sign checks), and generally, to have all the powers necessary or incidental to the operation and management of the Association.

(iii) To protect or defend the Common Areas from loss or damage by suit or otherwise, and to provide adequate for maintenance and repairs.

(iv) To make reasonable rules and regulations for the maintenance and protection of the Common Facilities and Common Areas, and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members entitled to vote pursuant to Section 2.2

(v) To make available to each Owner upon written request within sixty (60) days after the end of each year an annual report and, upon the written request of ten percent (10%) of the Members entitled to vote pursuant to Section 2.2, to have such report audited by an independent certified public accountant, which audited report shall be made available to each Member within thirty (30) days after completion.

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

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

Section 4.2 Board Powers, Exclusive. The Board shall have (a) the exclusive right to contract for all goods, services, and insurance, payment for which is to be made from the HOA Budget Fund and (b) the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

ARTICLE V

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 5.1 Residential Use. The Lots shall be used for single-family residential purposes and home office only. No building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed three (3) stories in height, and a private garage as provided below. Any building or structure to be placed or constructed on a Lot is subject to approval in writing by the Reviewer under Article VII.

Section 5.2 Single-Family Use. Each residence may be occupied only by persons living together as a single housekeeping unit, together with any household employees. Except for families consisting of persons related by blood, adoption, or marriage, no more than two persons per bedroom may occupy the same dwelling on a regular and consistent basis.

Section 5.3 Garage Required. Each residence shall have an enclosed two car attached garage which shall conform in design and materials with the main structure. At least one overhead garage door shall be equipped with a remote-operated automatic door opener which shall remain functional at all times. Each garage shall provide space for storage of a minimum of two cars. No garage will be permitted to be converted to living space nor shall any garage be so used as to prevent the storage of two cars. This provision is not applicable to the builders' sales offices.

Section 5.4 Driveways. All driveways shall be surfaced with concrete.

Section 5.5 Uses Specifically Prohibited.

(a) No temporary dwelling, shop, trailer or mobile home of any kind or any improvement of a temporary character shall be permitted on any Lot except (i) children's playhouses, dog houses, and structures for storage of lawn maintenance equipment, which may be placed on a Lot subject to approval in accordance with Article VII and provided no part of any such structure is visible from any front or side street, and (ii) the builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the builder or contractor and Declarant. No metal sheds will be permitted to be placed on a Lot. Sheds will be allowed, if otherwise acceptable, if designed and constructed to match the color of the existing home trim. Roofing material must match the main structure, and it cannot exceed two feet over the fence or be visible from the street. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed

within the property lines of the Lot upon which the improvements are to be erected.

(b) Except as otherwise provided in this Section, no vehicle may be parked or left upon any portion of a Lot except in a garage or on a driveway. Except as provided below, the following vehicles may not be parked on any street within Liberty: recreational vehicles, mobile homes, trailers, campers, stored vehicles, trucks with tonnage in excess of one (1) ton, commercial vehicles (including all vehicles with commercial lettering or logos), and unlicensed or inoperable vehicles. "Sports utility vehicles" and "mini-vans" (as such vehicles are commonly referred to, as determined in the Board's discretion) and pick-up trucks without commercial writing or logos shall be treated as automobiles and may be parked outside of enclosed garages. Boats may not be kept or stored on a Lot unless approved in writing by the ACC. This Section shall not apply to parking for purposes of emergency vehicle repairs or to construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery. Notwithstanding the above, for purposes of cleaning, loading, unloading, and short-term and visitor parking, any vehicle may be parked outside of an enclosed garage temporarily and irregularly to accommodate such use. The Board, in its discretion, may enact rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible parking under such circumstances. As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

(c) No vehicle of any size which transports inflammatory or explosive cargo may be kept or parked on the Property at any time, except for use by or on behalf of Declarant in connection with the development of the Property or by a builder or contractor in connection with the construction of improvements on a Lot.

(d) No drilling, or other mineral exploration or excavation activities shall be permitted on any Lot or Common Area within the Properties, nor shall any wells, tanks, or storage facilities of any kind be located thereon.

(e) WITHIN EASEMENTS ON EACH LOT, AND WITHIN DRAINAGE SWALES RUNNING BETWEEN LOTS, UNLESS OTHERWISE APPROVED IN WRITING BY THE ACC, NO STRUCTURES, PLANTING OR MATERIALS SHALL BE PLACED OR PERMITTED TO REMAIN THAT MAY DAMAGE OR INTERFERE WITH THE INSTALLATION AND MAINTENANCE OF UTILITIES, WHICH MAY CHANGE THE DIRECTION OF FLOW WITHIN DRAINAGE CHANNELS OR WHICH MAY OBSTRUCT OR RETARD THE FLOW OF WATER THROUGH DRAINAGE CHANNELS. DECLARANT OR THE ACC MAY REQUIRE ANY OWNER CAUSING ANY CHANGE IN THE FLOW OF SURFACE WATER TO REMOVE AT SUCH OWNER'S EXPENSE ANY STRUCTURE OR IMPROVEMENTS CAUSING SUCH ALTERATION.

AFTER DECLARANT OR ANOTHER DEVELOPER HAS GRADED THE LOT, THE GENERAL GRADING, SLOPE, AND DRAINAGE PLAN OF A LOT (INCLUDING THE INSTALLATION OF RAISED SHRUB BEDS, SWIMMING POOLS OR SIMILAR IMPROVEMENTS) MAY NOT BE ALTERED WITHOUT (1) THE PRIOR WRITTEN APPROVAL OF THE ACC AND (2) THE PRIOR WRITTEN APPROVAL OF THE CITY AND OTHER APPROPRIATE AGENCIES HAVING AUTHORITY TO GRANT SUCH APPROVAL.

(f) No patio cover[s] will be installed on a Lot unless written approval is received in accordance with Section 7.2 below (unless installed by the builder). The construction and appearance, including roof and paint trim, must match the construction of the home. Nothing herein is intended to vary either the procedures or standards contain in Article VII or in any bulletins or construction/improvement criteria hereafter promulgated.

(g) Lighting displays and holiday decorations will be permitted on a Lot only during the period commencing thirty (30) days prior and thirty (30) days following holidays.

(h) Supplemental to the provisions of Section 5.6 below, **ALL FENCES MUST BE STAINED WITH CLEAR PRESERVATIVE ONLY.**

(i) No animals or livestock shall be raised, bred or kept on the Property for commercial purposes or for food. Dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove or otherwise provide for the removal of the pet. Pets shall be kept on a leash or otherwise confined inside a fenced area whenever outside the dwelling. Pets shall be registered, licensed and inoculated as required by law and must be properly tagged for identification. It is the Owner's responsibility to keep the front of their Lot clean and free of pet debris and to pick up and properly dispose of their pet's waste wherever deposited. Notwithstanding anything herein to the contrary, no more than four (4) household pets will be permitted on each Lot.

(j) No Lot or other area on the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, without limitation, broken or rusty equipment, disassembled or inoperative cars, other vehicles or discarded appliances and furniture. Trash, garbage or other waste shall be kept in sanitary containers. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements

may be stored on Lots during construction so long as construction progresses without undue delay.

(k) No air-conditioning apparatus shall be installed on the ground in front of a residence or on the side of the residence in view of any public street. No air-conditioning apparatus shall be attached to any wall or window of a residence. All air-conditioning equipment must be installed in the rear yard or on the side yard completely screened by a fence or three 3-gallon dwarf wax myrtle shrubs.

(l) No antenna, satellite dish, or other device for the transmission or reception of television or radio (including amateur or ham radios) signals is permitted outside the dwelling on a Lot, except those devices whose installation and use is protected under federal law or regulations (generally, certain antennae under one meter in diameter). Notwithstanding such protection, an application for such an antenna or other device must be submitted to the Reviewer for approval. The Reviewer shall consider any such application on an expedited basis. Approval will be granted only if:

(i) First, the antenna or other device is designed for minimal visual intrusion (*i.e.*, is located in a manner that minimizes visibility from the street or an adjacent Lot); and

(ii) Second, the antenna or other device complies to the maximum extent feasible with design guidelines promulgated by the Association, if any, within the confines of applicable federal regulations (*i.e.*, without precluding reception of a quality signal or unreasonably increasing the cost of the antenna or device).

(m) Flags may be attached to the front or rear façade of the home. In-ground flagpoles are allowed provided they are no taller than eight feet in height and are installed within five feet of the front façade of the home. The pole must be painted black and the flag and pole must be maintained in good condition.

(n) Basketball goals are allowed only if made with a clear plexiglass backboard and black pole. Notwithstanding the foregoing, basketball goals are subject to ACC review and may be subject to other requirements as well as limitations on placement.

(o) No Lot or improvement thereon shall be used for commercial or manufacturing purposes of any kind other than a small home office. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a builder's use of a residence as a sales office until such builder's last residence on the Property is sold. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as a small home office, tutoring or giving lessons such as art or

music, so long as such activities are consistent with the residential character of the Property, do not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Property, as determined in the Board's discretion, and do not materially increase the number of cars parked on the street.

(p) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three feet (3') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet (10') from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street right-of-way line with the edge of a private 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.

(q) Except for children's playhouses, dog houses, gazebos and structures for storage of lawn maintenance equipment which specifically conform to such design guidelines as may be promulgated by the Association, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

(r) No sign of any kind shall be displayed to the public view on any Lot, except (i) political signs as are permitted by the City or other applicable governing authority, which may be placed on the Lot no earlier than six (6) weeks prior to an election and which must be removed within two (2) weeks after the election for which such sign is displayed, (ii) one (1) professional security service sign of not more than one square foot, (iii) one (1) sign of not more than five square feet advertising the property for rent or sale during any period that the Lot actually is for rent or sale, or (iv) signs used by a builder to advertise the Property during the construction and sales period, each of which shall, in any event, comply with all statutes, laws or ordinances governing same. The Board of Directors or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or otherwise in connection with such removal.

(s) The drying of clothes in public view is prohibited.

(t) Wood used for fireplace, barbeque, or other use must be stacked neatly and screened from public view. The Owner is responsible for ensuring that such wood stack is kept free of rodents.

(u) No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.

Section 5.6 Fences and Walls. Fences will comply with guidelines set forth in Article VI. No fence or wall shall be permitted to extend nearer to any street than the front of any residence. Fences or walls erected by Declarant shall become the property of the Owner of the Lot on which the same are erected and as such shall be maintained and repaired by such Owner. Any fence or portion thereof that faces a public street shall be so constructed so that all structural members and posts will be on the side of the fence facing away from the street so that they are not visible from any street. No portion of any fence shall extend more than 7 feet in height. **ALL FENCES MUST BE STAINED WITH CLEAR PRESERVATIVE ONLY.** All fences must comply with such fence criteria and guidelines as may be promulgated by the Association and must be approved by the Reviewer.

Section 5.7 Building Materials. See Special Building Requirements in Article VI below.

Section 5.8 Mailboxes and Address Blocks. Mailboxes shall be standardized throughout Liberty and shall be constructed of material, be of a design, and color as is consistent with guideline promulgated by the Association and/or as approved by the Architectural Control Committee.

Section 5.9 Landscaping. Each builder of a residence upon each Lot shall, upon or before the first occupancy of a house, sod grass in the front and sideyards (anything visible from the street) and either seed or hydromulch the rear, and plant the minimum size and number of shrubs in the front yard against the foundation of the house as may be required under landscaping guidelines promulgated by the Association and approved by the Architectural Control Committee. Trees will conform to the Special Building Requirements in Article VI below.

Section 5.10. Design Guidelines. In addition to any requirements set forth in this Declaration, the Association may, from time to time, publish criteria and guidelines for guidance of and Owners in the construction, alteration, and maintenance of improvements on their Lots. All Owners are required to comply with such design guidelines in the construction of improvements within the Property.

Section 5.11. Recorded Final Plat. All dedications, limitations, restrictions and reservations shown on the Final Plat are incorporated herein and shall be construed as being adopted in each contract, deed or conveyance executed or to be executed by Declarant conveying Lots, whether specifically referred to therein or not.

Section 5.12. Offensive Conduct. While these covenants relate primarily to the construction and maintenance of the real property, it is important to the quiet enjoyment of the Dwelling Units by all Owners, that the personal conduct of Residents in the Property not, in itself, constitute a nuisance. Therefore, NOTICE IS HEREBY GIVEN THAT no noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance within the Property or any portion thereof. Loud, boisterous, drunken, or threatening conduct, on the part of any Member or Resident, tenant, or invitee, or any vandalism, or trespassing on the Lot

of another Owner, or any activities which injure or may injure persons or property shall, without limitation, be defined as "Offensive Activity". Cumulative of any other fines, penalties or damages provided herein, upon a complaint from any Owner or tenant of an Owner, and after such investigation as the Board may deem appropriate, a written notice shall be sent by the Board (or the Management Company or attorney retained by the Board) to the Owner of the Lot occupied by the person or person violating this provision (and to the occupant if other than the Owner) specifying the nature of the complaint and making formal demand that it cease. If the offending party is a tenant, the Owner shall have 30 days from formal notice to remove the offending tenant or to otherwise insure that the Offensive Activity does not recur. The Owner, and, if enforceable, the offending party, shall thereafter (and subject to the notice and hearing requirements set out elsewhere herein) be subject to a fine to be determined by the Board not to exceed \$200.00 for each subsequent violation. The violation fines shall be levied against the Owner and, if applicable and enforceable, the tenant or other offending party, as a default assessment as referenced in Section 3.1 above. The assessment shall include interest at 18% or the higher permissible rate whichever is less and reasonable attorney's fees (if incurred).

ARTICLE VI

SPECIAL BUILDING REQUIREMENTS

Supplemental to the general restrictions on use and construction contained in Article V above, the following special building restrictions are applicable to the Lots according to size as indicated below. The application of the criteria and restrictions will be the authority of the Reviewer under the provisions of Article VII.

Section 6.1 50' Neo-Traditional, The following building requirements shall be applicable:

- (a) Minimum Floor Area: 1,400 square feet of air conditioned space.
- (b) Minimum Roof Pitch: 6:12
- (c) Masonry Requirement: 80%. For this provision Hardi-Plank is considered masonry.
- (d) Front Setback: Fifteen feet (15').
- (e) Front Porch Setback: Ten feet (10').
- (f) Side Yard Setback: Five feet (5').
- (g) Rear Yard Setback: Ten feet (10').

(h) Trees: Two 3" caliper trees in the front yard; four 3" caliper trees on corner Lots.

(i) Mailbox: As provided in Section 5.8 above, material, color, and design will be coordinated and consistent throughout the Liberty community.

(j) Upgraded Fencing: Fencing along corner Lots, abutting parks, open spaces, the amenity center, school, or other fencing visible from the street must be No. 1 grade cedar or better. Fencing shall comply with Section 5.6 above.

Section 6.2 55' x 110'-Traditional. The following building requirements shall be applicable:

(k) Upgraded Fencing: Fencing along corner Lots, abutting parks, open spaces, the amenity center, school, or other fencing visible from the street must be No. 1 grade cedar or better. Fencing shall comply with Section 5.6 above.

Section 6.3 60' x 120'-Neo-Traditional The following building requirements shall be applicable:

(a) Minimum Floor Area: 1,400 square feet of air conditioned space.

(b) Minimum Roof Pitch: 6:12

(c) Masonry Requirement: 80%. For this provision Hardi-Plank is considered masonry.

(d) Front Setback: Fifteen feet (15').

(e) Front Porch Setback: Ten feet (10').

(f) Side Yard Setback: Five feet (5').

(g) Rear Yard Setback: Ten feet (10').

(h) Trees: Two 3" caliper trees in the front yard; four 3" caliper trees on corner Lots.

(i) Mailbox: As provided in Section 5.8 above, material, color, and design will be coordinated and consistent throughout the Liberty community.

(j) Upgraded Fencing: Fencing along corner Lots, abutting parks, open spaces, the amenity center, school, or other fencing visible from the street must be No. 1 grade cedar or better. Fencing shall comply with Section 5.6 above.

Section 6.4 65' x 120'-Traditional. The following building requirements shall be applicable:

- (a) Minimum Floor Area: 1,800 square feet of air conditioned space.
- (b) Minimum Roof Pitch: 6:12
- (c) Brick Requirement: 80%.
- (d) Porch Requirement: 20% of all homes built.
- (e) Front Setback: Twenty feet (20').
- (f) Front Porch Setback: Ten feet (10').
- (g) Side Yard Setback: Five feet (5').
- (h) Rear Yard Setback: Fifteen feet (15').
- (i) Trees: Two 3" caliper trees in the front yard; four 3" caliper trees on corner Lots.
- (j) Mailbox: As provided in Section 5.8 above, material, color, and design will be coordinated and consistent throughout the Liberty community.
- (k) Upgraded Fencing: Fencing along corner Lots, abutting parks, open spaces, the amenity center, school, or other fencing visible from the street must be No. 1 grade cedar or better. Fencing shall comply with Section 5.6 above.

Section 6.5 75' x 125'-Traditional. The following building requirements shall be applicable:

- (a) Minimum Floor Area: 2,200 square feet of air conditioned space.
- (b) Minimum Roof Pitch: 8:12
- (c) Brick Requirement: 80%.
- (d) Porch Requirement: 20% of all homes built.
- (e) Front Setback: Twenty five feet (25').
- (f) Front Porch Setback: Ten feet (10').
- (g) Side Yard Setback: Seven ½ feet (7.5').

- (h) Rear Yard Setback: Twenty feet (20').
- (i) Trees: Two 3" caliper trees in the front yard; four 3" caliper trees on corner Lots.

(j) Mailbox: As provided in Section 5.8 above, material, color, and design will be coordinated and consistent throughout the Liberty community.

(k) Upgraded Fencing: Fencing along corner Lots, abutting parks, open spaces, the amenity center, school, or other fencing visible from the street must be No. 1 grade cedar or better. Fencing shall comply with Section 5.6 above.

Section 6.6 85' x 130-Traditional. The following building requirements shall be applicable:

- (a) Minimum Floor Area: 2,600 square feet of air conditioned space.
- (b) Minimum Roof Pitch: 8:12
- (c) Brick Requirement: 80%.
- (d) Porch Requirement: 20% of all homes built.
- (e) Front Setback: Twenty five feet (25').
- (f) Front Porch Setback: Ten feet (10').
- (g) Side Yard Setback: Seven ½ feet (7.5').
- (h) Rear Yard Setback: Twenty feet (20').
- (i) Trees: Two 3" caliper trees in the front yard; four 3" caliper trees on corner Lots.

(j) Mailbox: As provided in Section 5.8 above, material, color, and design will be coordinated and consistent throughout the Liberty community.

(k) Upgraded Fencing: Fencing along corner Lots, abutting parks, open spaces, the amenity center, school, or other fencing visible from the street must be No. 1 grade cedar or better. Fencing shall comply with Section 5.6 above.

ARTICLE VII

ARCHITECTURAL CONTROLSection 7.1 Review Authority.

(a) Declarant. Declarant shall have exclusive authority to administer and enforce architectural controls and to review and act upon all applications for architectural and other improvements within the Property until all planned Lots have been conveyed to persons other than Declarant or a builder and have been improved with a dwelling for which a certificate of occupancy has been issued, unless Declarant earlier terminates its rights in a recorded instrument. Declarant may designate one or more persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, Declarant or its designee acts solely in Declarant's interest and owes no duty to any other person. Declarant is not required to hold meetings or keep minutes relating to its review under this Article. Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other person or committee, including the Architectural Control Committee. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(b) Architectural Control Committee. Upon Declarant's delegation or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the Architectural Control Committee ("ACC"), shall assume jurisdiction over architectural matters. The ACC shall consist of at least three persons. Members of the ACC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. The ACC members shall be designated, shall serve, and may be removed and replaced in the Board's discretion.

[i] For so long as Declarant owns any portion of the Property, the ACC shall notify Declarant in writing within three business days of any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional information that Declarant may require shall accompany the notice. During such time, Declarant shall have the right, in its sole and absolute discretion, to veto any ACC action; provided, Declarant's right to veto must be exercised within 10 business days after it receives notice of the ACC's action. The party submitting the plans for approval shall not be notified of the ACC's action until after Declarant's right to veto has been exercised or has expired.

[ii] The Board may create and appoint subcommittees of the ACC. Subcommittees may be established to preside over particular areas of review (e.g., landscape plans) and shall be governed by procedures the Board or the ACC may establish. Any subcommittee's actions are subject to review and approval by Declarant, for as long as Declarant may review the ACC's decisions, and the ACC. Notwithstanding the above, neither the ACC nor Declarant shall be obligated to review all actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future.

[iii] Unless and until such time as Declarant delegates any of its reserved rights to the ACC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters. Declarant and the Association may employ architects, engineers, or other persons to perform the review required under this Article.

(c) Reviewer. The entity having jurisdiction in a particular case, whether Declarant or its designee or the ACC, shall be referred to as the "Reviewer."

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. The Board may include the compensation of such persons in the Association's annual operating budget.

Section 7.2 Review Requirements. No building, wall or any other structure or improvement shall be commenced, erected, placed, or substantially altered on any Lot, nor shall any exterior painting (other than repainting a structure the same or similar color) of, exterior addition to, or substantial alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Reviewer.

(a) The Reviewer is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Reviewer, adversely affect the use or enjoyment of one (1) or more Owners or the general value of the Property.

(b) In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed exterior design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to judicial review so long as they are made in good faith and in accordance with the required procedures.

Section 7.3 Procedure for Approval. Final plans and specifications shall be submitted in duplicate by certified mail, return receipt requested or hand delivery to the Reviewer. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The documents shall specify any requested variances from the requirements set forth in this Declaration. The Reviewer is authorized to request the submission of samples of proposed construction materials and such other information as they reasonably deem necessary to make their determination. At such time as the plans and specifications meet the approval of the Reviewer, one complete set of plans and specifications will be retained by the Association, for up to three (3) years only, and the other complete set of plans shall be marked "Approved," signed by a representative of the Reviewer and returned to the Lot Owner or his designated representative. If disapproved by the Reviewer, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a representative of the Reviewer. Any modification of the approved set of plans and specifications must again be submitted to the Reviewer for its approval. The Reviewer's approval or disapproval, as required herein, shall be in writing. Any reliance upon a verbal approval of any plans by the Reviewer shall be at the risk of the Lot Owner and subject to any subsequent or otherwise conflicting written response by the Reviewer.

(a) If the Reviewer fails to approve or disapprove any such plans and specifications or modification thereto within thirty (30) days after the date of submission of all information the Reviewer requires, written approval of the matters submitted shall not be required and compliance with this Section shall be deemed to have been completed. In case of a dispute about whether the Reviewer responded within such time period, the person submitting the plans shall have the burden of establishing that the Reviewer received the plans. The Reviewer's receipt of the plans may be established by a signed certified mail receipt. Any builder who is constructing residences on multiple Lots shall have the option of submitting a master set of final plans and specifications for all of the residences it intends to construct within the Property to the Reviewer in accordance with the provisions of this paragraph. Once the master set of plans has been approved, the builder shall be allowed to construct residences in accordance with such approved plans and no further submittals shall be required unless material deviations have been made to such approved plans.

(b) The Reviewer may, but is not obligated to, permit or require that plans be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage.

(c) As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All construction work shall be completed within one (1)

year of commencement unless otherwise specified in the notice of approval or design guidelines published by the Association, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action.

(d) As a part of the review process, the Reviewer may require that the construction of any improvement be inspected on a periodic basis prior to completion for compliance with the plans and other matters relating to the quality or method of construction. The Association may conduct such inspections or, in the alternative, it may contract with third parties for such purposes. The Owner on whose Lot the construction is taking place shall be responsible for the payment of costs relating to any such inspection.

Section 7.4 Standards. The Reviewer shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Reviewer is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Reviewer shall have the authority to interpret and amend design guidelines, subject to Declarant's approval for so long as Declarant or any builder owns any portion of the Property or thereafter, with approval of the Board. The Reviewer may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration. Any such guidelines, criteria, bulletins, or standards constitute "Dedictory Instruments" under the Texas Property Code and will be filed of record in the office of the Collin County Clerk.

Section 7.5. Special Procedure for Homebuilders. Once the Reviewer has approved a set of final plans and specifications (including, but not limited to, exterior colors) submitted by the builder, that homebuilder may use such plans and specifications for other homes it will construct on the Property, provided that (a) there shall be at least two lots on the same side of the street between lots with houses using the same or substantially the same floorplan; (b) there shall be at least three lots on the same side of the street between lots with houses using the same or substantially the same exterior elevations; and (c) no houses with the same or substantially the same exterior elevation shall be constructed on Lots directly across the street from each other. The builder will be subject to such restrictions or requirements as the Reviewer may make for future use at the time of approval of the plans and specifications.

Section 7.6 Liability of Reviewer.

Neither Declarant, the Board of Directors, the Architectural Control Committee, or any of their respective members, officers, employees and agents, shall have any liability whatsoever for decisions made in accordance with this Article so long as such decisions are made in good faith and are not arbitrary or capricious. The plans or the site plan submitted to the Reviewer shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Reviewer shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, or any

codes, ordinances, regulations or other laws, whether statutory or not, and whether the same relate to Lot lines, building lines, easements or any other issue. Review and approval of any plans pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

THE ASSOCIATION HEREBY UNCONDITIONALLY AND PERPETUALLY INDEMNIFIES AND HOLDS DECLARANT, THE BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, CONTRACTORS, AND AGENTS, INCLUDING PROFESSIONAL MANAGEMENT, HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS TAKEN HEREUNDER BY THE REVIEWER, IRRESPECTIVE OF WHETHER OR NOT THE REVIEWER, ITS EMPLOYEES, CONTRACTORS, AGENTS AND OTHER INDIVIDUALS OR ENTITIES RELATED TO OR EMPLOYED BY THE REVIEWER ACTED NEGLIGENTLY.

ARTICLE VIII

EASEMENTS

Section 8.1. Utility Easements.

(a) Non-exclusive easements are hereby reserved for the benefit of, and granted to, the City, all providers of utility services within the Properties, and all other governmental servicers of the Properties (including without limitation the U.S. Postal Service), to enter into and use the easements as designated on the final plats for the provision of all governmental and utility services necessary and/or required for the benefit of the Owners in the proper exercise of governmental functions and the providing of utility services.

(b) Utilities serving the Properties shall be installed only in the streets or in designated utility easements(s) shown on the Plats (except for individual utility connections from the common utility lines to improvements constructed on a Lot).

(c) The Plats shall contain a dedication to the City and to all public utility entities providing utility service to the Properties of the right to use the Streets to construct, install, maintain, operate, inspect, remove and reconstruct the facilities, equipment and systems that serve the Properties, but the City and such utility companies shall repair any damage to the pavement or other improvements on the Streets resulting from any such installation, maintenance, reconstruction or such other work.

Section 8.2 Easement Reserved for Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot and the Properties for the carrying out by the Association of its rights, functions, duties and obligations hereunder: provided, that any such entry by the Association upon any Lot shall be made with as little inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the maintenance fund.

ARTICLE IX

REQUIREMENTS OF CERTAIN MORTGAGEES

AND MORTGAGE INSURERS

Section 9.1. Definitions.

(a) The owners and holders of Institutional Mortgages which are required to satisfy the applicable requirements of FHA, VA, FNMA, FMLMC and other similar governmental, quasi-governmental and nationally recognized public and/or private sources of end financing are referred to herein as "Eligible Mortgagees" and their mortgages referred to as "Eligible Mortgages".

(b) The insurers, guarantors, participants and subsidizers of the Eligible Mortgages, are referred to herein as the "Eligible Insurers". To the extent applicable, necessary or proper, the provisions of this Article IX apply not only to this Declaration but also to the Articles of Incorporation and Bylaws of the Association. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, the Articles of Incorporation and Bylaws, but in the event of ambiguity or conflict, this Article shall control.

Section 9.2 Reservation of Right and Authority to Satisfy Requirements. During the Class B Member period Declarant may take such action as may be necessary to secure the approval of the Eligible Mortgagees and Eligible Insurers, if any, where such approval is required and such action is required or requested by them as a prerequisite to approval of a purchase money loan on Lots within Liberty. This authority includes the power to amend the Declaration without the vote or consent of any other Owner or party if necessary in the future to satisfy the requirements of HUD/FHA or VA or other Eligible Insurers in the making of loans, or to comply with the FNMA Seller's Guide, as same may be from time to time amended. This may include adding mortgagee protection clauses to the Declaration.

ARTICLE X

EXPANSION OF THE PROPERTY

Section 10.1 Expansion of the Property. Declarant, in its sole discretion and without the approval of any other party, may from time to time subject this

Declaration to additional real property by recording in the Public Real Estate Records of the County, a Supplemental Declaration describing the additional real property to be subjected to this Declaration. It is the current intent of Declarant that this Declaration shall ultimately include six (6) or more phases of residential additions with shared amenities. Declarant has granted a Deed of Trust dated July 16, 2003 (the "**Deed of Trust**") to Jerry P. Owens, Trustee, securing indebtedness to Owen Ranches, Inc. (the "**Beneficiary**"), relating to financing of approximately 375.506 acres of adjacent acreage described therein to be included in subsequent phases of the Property. Declarant has agreed with Beneficiary that should Declarant fail to pay the indebtedness secured by such Deed of Trust, or any portion thereof, Declarant will assign to Beneficiary or any purchaser designated by Beneficiary the Declarant's rights hereunder to annex the approximately 375.506 acres of adjacent acreage encumbered by the Deed of Trust into the Property and subject same to the provisions of this Declaration and other Dedicatory Instruments as that term is defined in Section 202.001, Texas Property Code. Any such Supplemental Declaration which is executed by Declarant or its assignee and recorded in the Public Real Estate Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional real property to be incorporated herein. Nothing in this Declaration shall be construed to require Declarant or any successor of Declarant to subject additional real property to this Declaration. Declarant does hereby designate and appoint Beneficiary as its agent and attorney-in-fact for the limited purpose of assigning such annexation rights should Declarant fail to assign such rights within thirty (30) days of Beneficiary's request after default under the Deed of Trust.

Section 10.2 Additional Covenants and Easements. Declarant, in its sole discretion and without the approval of any other party, may from time to time subject any portion of the Property, whether now or hereafter a part of this Declaration, to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the assessments, as described in Article X hereof. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the Property, whether now or hereafter a part of this Declaration, in order to reflect the different character and intended use of such Property. Any such Supplemental Declaration which is executed by Declarant and recorded in the Public Real Estate Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional covenants and easements to be incorporated herein.

Section 10.3 Effect of Recording Supplemental Declaration. A Supplemental Declaration shall be effective upon the recording of same in the Public Real Estate Records of the County unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

ARTICLE XI

LOT MAINTENANCE BY OWNERS

Section 11.1 Lot Maintenance. After the installation of the landscaping on a Lot by a builder, the Owner of the Lot shall thereafter maintain the yard in a sanitary and attractive manner, including adequate watering and immediate replacement of dead vegetation, including front yard trees, and shall edge the street curbs that run along the Lot boundary lines. **Yards must be kept mowed and trimmed at regular intervals so as to maintain the Lot in a neat and attractive manner.** No vegetables shall be grown in any portion of a Lot yard that faces a street or is not screened by fencing built in accordance with the terms hereof. No Ivy plant material shall be grown on any portion of the outside of the front façade of the Home. Grass shall not be permitted to grow to a height of greater than six inches (6") upon any Lot.

Section 11.2 Maintenance of Improvements. Each Owner shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner. All fences shall be kept neat, clean and in good repair. Any fence which is damaged, leaning, or otherwise not in good repair shall be immediately repaired.

ARTICLE XII

ENFORCEMENT

Section 12.1 Special Enforcement Provisions. In the event that an Owner fails to comply with any provision of this Declaration, including but not limited to any provision in Article XI, then, prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with this Declaration (or such other remedies as may be available to the Board and/or the Association at law or in equity), the Board shall first be obligated to give such Owner notice of such failure and thirty (30) days after the date of such notice in which to cure such violation or failure. If the Owner shall not have corrected such failure within thirty (30) days after the giving of such notice, the Board of Directors shall have the right but not the obligation, to enter the Lot and to bring the Lot, and any improvements thereon, into full compliance with this Declaration. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner. If any Owner does not promptly reimburse the Association for all such costs and expenses after receipt of written request for same, the Board shall have the right to assess the Owner for same plus interest and fines, such assessment, interest and fines being a default assessment under the provisions of Section 3.1 above.

Section 12.2 Enforcement. In addition to the enforcement provisions set forth in Section 12.1, the Board of Directors may impose sanctions for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to the Declaration) in accordance with the applicable procedures set forth in the Bylaws. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

(a) Fines. The Board of Directors may impose reasonable monetary fines which shall constitute a lien upon the Owner of the Lot related to or connected with the alleged violation. The Owner shall be liable for the actions of any occupant, guest, or invitee of the Owner of such Lot.

(b) Suspension of Voting Rights. The Board of Directors may suspend an Owner's right to vote.

(c) Suspension of Rights to Use the Common Properties. The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Properties; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot.

(d) Right of Self-Help. The Board of Directors may exercise self-help or take action to enter upon the Lot to abate any violation of this Declaration;

(e) Right to Require Removal. The Board of Directors may require an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of this Declaration and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove the violation, and restore the property to substantially the same condition as previously existed, without such action being deemed a trespass.

(f) Levy Default Assessment. The Board of Directors may levy a special individual assessment in accordance with Section 3.1 to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration.

(g) Lawsuit; Injunction or Damages. The Board of Directors may bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

Failure by Declarant, or the Board of Directors, to enforce any covenant, condition, agreement or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the Association's enforcement rights, this Declaration may be enforced by any aggrieved Owner.

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

ARTICLE XIII

AMENDMENT AND TERMINATION

Section 13.1 Amendment. Subject to the provisions of Article IX, if applicable, this Declaration may be amended by an instrument containing such amendment(s) and recording same in the Real Estate Records of the County, provided, that (i) for the period which Declarant owns at least one Lot, no such amendment shall be valid or effective without the joinder and consent of Declarant and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 51% of the votes in the Association. In addition, Declarant, at its sole discretion and without a vote or the consent of any other party, may modify, amend, or repeal this Declaration: (i) at any time prior to the conveyance of the first Lot; (ii) as necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (iii) as necessary to comply with the requirements of VA, or HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or Eligible Mortgagees, or (iv) as necessary for clarification or to correct technical, typographical or scrivener's errors. Any amendment to this Declaration must be recorded in the Real Property Records of the County.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class B Member without the written consent of Declarant or the Class B Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Section 13.2 Termination. Subject to the provisions of Article IX, if applicable, the Owners may terminate and extinguish this Declaration in its entirety by executing an instrument terminating this Declaration and recording same in the Real Estate Records of the County, provided, however, that (i) for the period in which Declarant owns at least one Lot, no such termination shall be valid or effective without the joinder and consent of Declarant and (ii) such termination and extinguishment shall

first be approved by the affirmative vote or written consent of the Association's Members representing at least 67% of the votes in the Association.

ARTICLE XIV

GENERAL PROVISIONS

Section 14.1 Power of Attorney. Each and every Owner and Member hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit to do the following:

(a) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Properties;

(b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clauses(s), recital(s), covenant(s), agreement(s) and restrictions(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, enlarge, contract or abandon the subdivision plat(s) of the Properties, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration in the Collin County Clerk's Office and shall remain in full force and effect thereafter until all the Lots owned by Declarant have been sold and conveyed by Declarant to Class A Members.

Section 14.2. Duration. This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an original fifty (50) year term expiring on the fiftieth (50th) anniversary of the date of recordation of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Owners of at least fifty-one percent (51%) of all Lots within the Properties and recorded in the Deed Records of Collin county, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement (where approved by less than seventy-five percent (75%) of the Owners of all Lots within the Properties) to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

Section 14.3 Amendments. This Declaration is expressly subject to change, modification and/or deletion by means of amendment at any time and from time to time as provided herein. This Declaration may be amended and/or changed in part as follows:

(a) In response to any governmental or quasi-governmental suggestion, guideline, checklist, requisite or requirement, particularly with respect to those entities or agencies directly or indirectly involved in, or having an impact on, mortgage financing, mortgage insurance and/or reinsurance, Declarant shall have the complete and unrestricted right and privilege to amend, change, revise, modify or delete portions of this Declaration, and each and every Owner and Member specifically and affirmatively authorizes and empowers Declarant, as their and the Association's attorney-in-fact to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate.

(b) Declarant may otherwise amend or change this Declaration by exercising its powers under Section 11.1 hereinabove or with the direct consent of at least fifty-one percent (51%) of the Owners of Lots within the Properties.

(c) At such time as Declarant no longer owns any Lot within the Properties, this Declaration may be amended either by (i) the written consent of at least fifty-one percent (51%) of the Owners of the Lots within the Properties, or (ii) the affirmative vote of the Members entitled to cast fifty-one percent (51%) of the votes of the Members of the Association entitled to vote who are present at a meeting duly called for such purpose. Any and all amendments shall be recorded in the Office of the County Clerk of Collin County, Texas.

Section 14.4 Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The lien created hereby on each Lot shall extend to, cover and secure the proper payment and performance by each and every Resident, Member, guest and invitee affiliated with each Owner. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Properties. Enforcement of this Declaration may be initiated by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by this Declaration, but failure by the Association or any Owner to enforce any covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association and the City of Melissa, Texas are specifically authorized (but not obligated) to enforce this Declaration. With respect to any litigation hereunder, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney's fees, from the non-prevailing party.

Section 14.5 Validity. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one or more of the provisions of this Declaration, or any portions thereof, by judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of this Declaration conflicts with mandatory provisions of any ordinance or regulation promulgated by the City of Melissa (including, without limitation, the applicable zoning ordinances of the City), then such municipal requirements shall control.

Section 14.6 Headings; Gender; Construction. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include plural and vice versa, unless the context requires otherwise. Examples, illustration, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

Section 14.7 Registration with the Association. Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as (a) the full name and address of each Owner, Member and Resident, (b) the full name of each individual family member who resides within the residential dwelling of the Lot Owner; (c) the business address, occupation and telephone numbers of each Resident; (d) the description and license plate number of each automobile owned or used by a Resident and brought within the Properties; (e) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Resident cannot be located) in case of an emergency; and (f) such other information as may be reasonably requested from time to time by the Association. In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

Section 14.8 Notices to Resident/Member/Owner. Any notice required to be given to any Resident, Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when (i) deposited in the United States mail, postage prepaid, addressed to the last known address of the person who appears as the Resident, Member or Owner on the records of the Association at the time of such mailing, or when (ii) delivered by hand or by messenger to the last known address of such person within the Properties; or when (iii) posted on the Association's bulletin board for at least thirty (30) consecutive calendar days.

Section 14.9 Notices to Mortgagees. The holder(s) of a mortgage may be furnished with written notification from the Association of any default by the respective

mortgagor/Member/Owner in the performance of such mortgagor's/Member's/Owner's obligation(s) as established by this Declaration, provided that the Association has been theretofore furnished, in writing, with the correct name and address of such mortgage holder(s) and a request to receive such notification and reasonably supply of self-addressed, stamped envelopes.

Section 14.10 Disputes. Matters of dispute or disagreement between Owners, Residents or Members with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws, shall be determined by the Board. These determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Residents and Members.

Section 14.11 Notice of Transfer. If at any time a Lot is sold, the new Owner shall promptly notify the Association of the transfer and give the name and address for notice (if other than the Lot) of the new Owner.

Section 14.12 No Liability for Trespass. Whenever the Association, the Board of Directors, Declarant, the management company, or their respective agents or officers exercise any right hereunder and in connection therewith enters upon any Lot, such parties shall not be liable for trespass upon such Lot.

Executed as of the acknowledgment date noted below.

DECLARANT:

HILLWOOD RLD, L.P.,
a Texas limited partnership

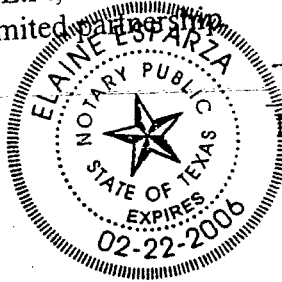
By: Hillwood Operating, L.P., a Texas
limited partnership, its general partner

By: Hillwood Development Company, LLC
a Texas corporation, its general partner

By: Angie Waddle
Name: Angie Waddle
Title: VP

THE STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me this 3d day of March, 2004
by Angie Waddle, Vice Pres of Hillwood Development Company, a
Texas corporation, on behalf of such corporation in its capacity as general partner of
Hillwood Operating, L.P., a Texas limited partnership and general partner of Hillwood
RLD, Ltd., a Texas limited partnership.



Elaine Estarza
Notary Public in and for the State of Texas

EXHIBITS:

Exhibit "A" - Legal Description
Exhibit "B" - Bylaws
Exhibit "C" - Articles of Incorporation

ADDRESS OF DECLARANT:

Hillwood
C/O Angie Waddle
Three Lincoln Centre
5430 LBJ Freeway
Suite 800
Dallas, TX 75240

AFTER RECORDING RETURN TO:

Same Address as Declarant

EXHIBIT "A"
PROPERTY DESCRIPTION
(PHASE I)

Exhibit "A"
Property Description
(Phase I)

STATE OF TEXAS)(
COUNTY OF COLLIN)(

WHEREAS HILLWOOD RLD L.P., IS THE SOLE OWNER OF A 112.440 ACRE TRACT OF LAND SITUATED IN THE D.E.W. BABB SURVEY, ABSTRACT NO. 33, IN THE CITY OF MELISSA, COLLIN COUNTY, TEXAS AND BEING A PORTION OF TRACT I OF A TRACT OF LAND DESCRIBED IN DEED TO HILLWOOD RLD L.P., RECORDED IN COUNTY CLERK'S FILE NO. (CC#) 2003-0136381 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.), SAID 112.440 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING AT A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4545" FOUND FOR THE SOUTHEAST CORNER OF SAID TRACT I IN THE NORTH RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 121 (VARIABLE WIDTH R.O.W.) RECORDED IN VOLUME 577, PAGE 298, D.R.C.C.T.

THENCE ALONG THE SOUTH LINE OF SAID TRACT I AND THE COMMON NORTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 121 THE FOLLOWING COURSES AND DISTANCES:

S 54°35'38" W, A DISTANCE OF 527.20 FEET TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4545" FOUND FOR CORNER;

S 52°26'39" W, A DISTANCE OF 100.64 FEET TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4545" FOUND FOR CORNER;

S 54°42'18" W, A DISTANCE OF 199.21 FEET TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4545" FOUND FOR CORNER;

S 51°53'13" W, A DISTANCE OF 100.45 FEET TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4545" FOUND FOR CORNER;

S 54°41'58" W, A DISTANCE OF 565.55 FEET TO AN ALUMINUM DISC STAMPED "CARTER BURGESS" SET IN CONCRETE FOR CORNER;

THENCE OVER AND ACROSS SAID TRACT I THE FOLLOWING COURSES AND DISTANCES:

N 01°59'42" W, A DISTANCE OF 526.90 FEET TO AN ALUMINUM DISC STAMPED "CARTER BURGESS" SET IN CONCRETE FOR CORNER;

N 87°40'06" W, A DISTANCE OF 1193.21 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

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N 02°19'54" E, A DISTANCE OF 1100.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 170.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 993.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 940.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 02°19'54" W, A DISTANCE OF 264.91 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 250.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 241.36 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 48°59'21", A RADIUS OF 225.00 FEET, AN ARC LENGTH OF 192.38 FEET, A CHORD BEARING OF N 22°09'47" W, AND A CHORD LENGTH OF 186.57 FEET, TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 87°13'14" W, A DISTANCE OF 172.65 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 42.42 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 9°00'17", A RADIUS OF 970.00 FEET, AN ARC LENGTH OF 152.45 FEET,

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A CHORD BEARING OF N 06°50'02" E, AND A CHORD LENGTH OF 152.29 FEET, TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 8°56'38", A RADIUS OF 1030.00 FEET, AN ARC LENGTH OF 160.78 FEET, A CHORD BEARING OF N 06°51'51" E, AND A CHORD LENGTH OF 160.62 FEET, TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 60°15'10" E, A DISTANCE OF 4.23 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 55°25'17" E, A DISTANCE OF 52.60 FEET TO AN ALUMINUM DISC STAMPED "CARTER BURGESS" SET IN CONCRETE FOR CORNER;

S 59°19'24" E, A DISTANCE OF 63.66 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 58°43'22" E, A DISTANCE OF 45.12 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 64°43'18" E, A DISTANCE OF 76.13 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 50°38'41" E, A DISTANCE OF 54.43 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 22°57'33" E, A DISTANCE OF 9.06 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°07'43" E, A DISTANCE OF 60.59 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 41°39'09" E, A DISTANCE OF 115.08 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

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S 37°46'46" E, A DISTANCE OF 56.44 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 47°45'04" E, A DISTANCE OF 26.42 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 59°32'21" E, A DISTANCE OF 56.71 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 23°42'43" E, A DISTANCE OF 84.69 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 31°42'27" E, A DISTANCE OF 68.08 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 49°34'25" E, A DISTANCE OF 22.93 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 87°00'29" E, A DISTANCE OF 50.52 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 64°36'53" E, A DISTANCE OF 64.42 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 81°12'48" E, A DISTANCE OF 61.81 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 55°26'45" E, A DISTANCE OF 76.35 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 41°01'43" E, A DISTANCE OF 89.99 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

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S 30°10'49" E, A DISTANCE OF 159.18 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 57°42'39" E, A DISTANCE OF 105.89 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 83°42'05" E, A DISTANCE OF 203.55 FEET TO AN ALUMINUM DISC STAMPED "CARTER BURGESS" SET IN CONCRETE FOR CORNER IN THE EAST LINE OF SAID TRACT I;

THENCE ALONG THE EAST LINE OF SAID. TRACT I THE FOLLOWING COURSES AND DISTANCES:

S 01°59'12" W, A DISTANCE OF 950.55 FEET TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4545" FOUND FOR CORNER;

S 01°29'12" W, A DISTANCE OF 399.68 FEET TO THE POINT OF BEGINNING, AND CONTAINING 112.440 ACRES OF LAND, MORE OR LESS.



[Handwritten signature]
03/07/04

177001795

EXHIBIT "B"**BYLAWS****OF****LIBERTY HOMEOWNERS ASSOCIATION, INC.**

These Bylaws (referred to as the "Bylaws") govern the affairs of Liberty Homeowners Association, Inc., a non-profit corporation (referred to as the "Association") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

ARTICLE I**OFFICES****Principal Office**

1.01 The principal office of the Association in the State of Texas shall be located at 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240. The Association may have such other offices either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Association.

Registered Office and Registered Agent

1.02 The Association shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office shall be located in Dallas County, Collin County, or a contiguous county. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE 2**MEMBERS****Classes of Members**

2.01 The members of the Association shall consist of all lot owners in Liberty, including such additional phases of the Liberty community as may be added hereafter.

2.02 The Association shall have two (2) classes of members. Class A Members shall be all Members with the exception of Class B Members. Class A members shall have the voting rights provided in Section 2.2 of the Declaration of Covenants, Conditions, and Restrictions for Liberty, Melissa, Texas, recorded in the Real Property Records of Collin County, Texas (referred to herein as the "**Declaration**"). The Class B member shall be the Declarant and shall have the voting rights provided in Section 2.2 of the Declaration.

Conversion of Membership

2.03 Class B membership may cease and be converted to Class A membership at the option of the Class B member by written notice to the secretary of the Association and shall cease and be converted to Class A membership effective on the date set forth in said notice. If such option is not made, the Class B membership shall cease pursuant to the terms of Section 2.2 of the Declaration.

ARTICLE 3

ASSESSMENTS

Annual Assessment

3.01 The Board of Directors may set and charge annual assessments for the purpose of promoting the recreation, health, safety, enjoyment and welfare of the members in the properties and in particular, with the improvement and maintenance of the Common Areas and Common Facilities as such terms are defined by the Declaration.

(a) The maximum annual assessment may be increased each year not more than fifteen (15%) above the maximum assessment for the previous year without a vote of the membership as provided in Section 3.3(b) of the Declaration.

(b) The Board of Directors may fix the annual assessment at an amount less than or equal to the maximum. Annual assessments shall be due and payable on a date set by the Board of Directors. The Board may require the Annual Assessments to be paid in semi-annual payments.

Special Assessments

3.02 Pursuant to the provisions of Section 3.4 of the Declaration, and subject to the Member vote referenced therein if applicable, the Board of Directors may levy Special Assessments for Capital Improvements.

ARTICLE 4

MEMBERSHIP RIGHTS

Voting

4.01 Class A members shall have the voting rights provided in Section 2.2 of the Declaration. The Class B member shall have the voting rights provided in Section 2.2 of the Declaration.

When more than one (1) person holds a membership interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Sanction, Suspension, or Termination of Members

4.02 The Board of Directors may suspend a member and all occupants of the member's residence from use of the common area in the event a member fails to pay any assessment levied pursuant to the powers herein and such failure continues thirty (30) days after written notice from the Board of Directors to the member of default. All voting rights of an owner shall also be suspended during any period in which such owner is delinquent in the payment of any assessment duly established pursuant to the Declaration or the Bylaws, as more fully provided in Section 12.2 of the Declaration. The remedies and procedures employed by the Board shall be consistent and in compliance with Chapter 2.09 of the Texas Property Code effective as of January 2, 2002, and such other laws and regulations as may be applicable.

Transfer of Membership

4.03 Membership in the Association automatically transfers upon the recordation of a deed conveying ownership of any lot.

Waiver of Interest in Association Property

4.04 All real and personal property, including all improvements located on the Property, acquired by the Association shall be owned by the Association. A member shall have no interest in specific property of the Association. Each member hereby expressly waives the right to require partition of all or part of the Association's property.

ARTICLE 5

MEETINGS OF MEMBERS

Annual Meeting

5.01 The first annual meeting of the Members shall be fixed at a date, time, and place determined by the Board of Directors. Notice shall be given as provided in Section 5.04 below. Subsequent annual meetings of the Members shall be held on the same date each year as fixed by the Board of Directors at the first annual meeting unless subsequently changed by the Board. If the day fixed for the annual meeting is a Saturday, Sunday, or legal holiday in the state of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect those directors whose terms have expired and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a

special meeting of the members as soon thereafter as possible to conduct the election of directors.

Special Meetings

5.02 Special meetings of the members may be called by the president, the Board of Directors, or, after Class A members have voting control pursuant to the Declaration and these Bylaws, not less than fifteen percent (15%) of the voting members.

Place of Meeting

5.03 The Board of Directors may designate any place, in Collin County or a contiguous county, as the place of meeting for any annual meeting or for any special meeting of members called by the Board of Directors.

Notice of Meetings

5.04 Written or printed notice of any meeting of members, including the annual meeting, shall be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the Association, or the officers or persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice. The provisions relating to notices contained in Section 11.8 of the Declaration are incorporated herein by reference.

Quorum

5.05 The quorum requirements for meetings of members shall be those provided in Section 2.3 of the Declaration. The members present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting with notice as above provided and with a lesser quorum requirement as provided in Section 2.3 of the Declaration.

Actions of Membership

5.06 The membership shall try to act by consensus. However, the vote of a majority of voting members in good standing, present and entitled to vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law, the Declaration, or these Bylaws. A member in good standing is one who has paid all required fees and dues and is not

suspended as of the date of the notice of the meeting, as more particularly defined in Section 12.2 of the Declaration. Voting shall be by ballot or voice, except that any election of directors shall be by ballot if demanded by any voting member at the meeting before the voting begins.

Proxies

5.07 A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Voting by Mail, Facsimile, or Electronic Mail

5.08 The Board of Directors may authorize members to vote by mail, facsimile, or electronic mail on the election of directors and officers or on any other matter that may be voted on by the members. Further, a consent to any proposition may be authorized by the Board to be circulated for signature by the Members. The written consent of the requisite number of Members to authorize the action shall be the same as a vote taken at a duly called meeting; provided that notice of the proposition for which a request for consent is made will be given to all Members and an opportunity given to consent or object to the matter.

ARTICLE 6

BOARD OF DIRECTORS

Management of the Association

6.01 The affairs of the Association shall be managed by the Board of Directors.

Number, Qualifications, and Tenure of Directors

6.02 The initial Board of Directors shall have three (3) members. The number of Directors can be increased by a majority vote of a quorum attending an annual meeting or special meeting of Members called for that purpose. Directors shall be residents of Texas. Directors appointed by the Declarant need not be members of the Association. After control of the Association passes to the Class A Members as provided in Section 2.2 each Director must be a member of the Association. The initial Directors shall serve for a term of one (1) year or until Declarant appoints a replacement for a Director. After control is passed to the Class A Members a Board shall be elected in which one Director will serve for one (1) year and two members will serve for two (2) years. Thereafter each Director will be elected for a two (2) year term. If the Board is increased to five (5) Directors then two (2) will initially be elected for one (1) year and three (3) will be elected for two (2) years and thereafter each will be elected for two (2) years.

Nomination of Directors

6.03 At any meeting at which the election of a director occurs, a voting member in good standing may nominate a person with the second of any other voting member in good standing. In addition to nominations made at meetings, a nominating committee shall consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nominating committee, and any report of the committee, with the notice of the meeting at which the election occurs.

Election of Directors

6.04 A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the membership of the Association. In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. Each director shall hold office until a successor is elected and qualified. A director may be elected to succeed himself or herself as director.

Vacancies

6.05 Any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

Annual Meeting

6.06 The annual meeting of the members, after the initial annual meeting, may be held without notice provided it is held pursuant to Article 5.01, subject, however, to the provisions of Section 2.21 of the Declaration if applicable. The annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

Regular Meetings

6.07 The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the Association's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

Special Meetings

6.08 Special meetings of the Board of Directors may be called by or at the request of the president or any director. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Collin County or contiguous counties as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice to the directors as required in the Bylaws. The secretary shall give notice to the directors as required in the Bylaws.

Notice

6.09 Written or printed notice of any special meeting of the Board of Directors shall be delivered to each director not less than three (3) nor more than thirty (30) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

Quorum

6.10 A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

Duties of Directors

6.11 Directors shall exercise ordinary business judgment in managing the affairs of the Association. In acting in their official capacity as directors of this Association, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Association and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Association's best interests or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial statements and/or legal opinions provided by an accountant or attorney retained by the Association. General powers and duties of the Board are also provided in Article IV of the Declaration.

Actions of the Board of Directors

6.12 The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a director who is represented by proxy in a vote is considered present.

Proxies

6.13 A director may vote by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution.

Compensation

6.14 Directors shall not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to directors of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the Board of Directors. A director may serve the Association in any other capacity and receive compensation for those services.

Removal of Directors

6.15 The Board of Directors may vote to remove a director at any time, with or without good cause. A Meeting to consider the removal of a director may be called and notices following the procedures provided in the Bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Association shall consider possible arrangements for resolving the problems that are in the mutual interest of the Association and the director. A director may be removed by the affirmative vote of a majority of the Board of Directors.

Election by Class B Member

6.16 Notwithstanding the foregoing, as long as Class B membership exists, all directors shall be elected solely by the Class B member. The first meeting of Members to elect Directors shall be called within 120 days after Class B membership has ended as provided in Section 2.2 of the Declaration.

ARTICLE 7

OFFICES

Officer Positions

7.01 The officers of the Association shall be a president, a vice president, a secretary, and a treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.

Election and Term of Office

7.02 The officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

Removal

7.03 Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

Vacancies

7.04 A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

7.05 The president shall be the chief executive officer of the Association. The president shall supervise and control all of the business and affairs of the Association. The president shall preside at all meetings of the members and of the Board of Directors. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. However, the president may not execute instruments on behalf of the Association if this power is expressly delegated to another officer or agent of the Association by the Board of Directors, the Bylaws, or statute. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

Vice President

7.06 When the president is absent, is unable to act, or refuses to act, a vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place of the president in the order of the votes received when elected. A vice president shall perform other duties as assigned by the president or Board of Directors.

Treasurer

7.07 The treasurer shall:

(a) Have charge and custody of and be responsible for all funds and securities of the Association.

(b) Receive and give receipts for funds due and payable to the Association from any source.

(c) Deposit all funds in the name of the Association in banks, trust companies, or other depositories as provided in the Bylaws or as directed by the Board of Directors or president.

(d) Write checks and disburse funds to discharge obligations of the Association. Funds may not be drawn from the Association or its accounts for amounts greater than Five Hundred and No/100 Dollars (\$500.00) without the signature of the president or a vice president in addition to the signature of the treasurer. The Board may prescribe any further or different procedures and safeguards as it may from time to time deem appropriate.

(e) Maintain the financial books and records of the Association.

(f) Prepare financial reports at least annually.

(g) Perform other duties as assigned by the president or by the Board of Directors.

(h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.

(i) Perform all the duties incident to the office of treasurer.

Secretary

7.08 The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the Association records.
- (c) Maintain custody of the corporate records and of the seal of the Association.
- (d) Affix the seal of the Association to all documents as authorized.
- (e) Keep a register of the mailing address of each director, officer, and employee of the Association.
- (f) Perform duties as assigned by the president or by the Board of Directors.
- (g) Perform all duties incident to the office of secretary.

Delegation of Duties

The Board may delegate various duties of its officers to a professional management company subject to the Board's supervision.

ARTICLE 8

COMMITTEES

~~Establishment of Committee~~

8.01 The Board of Directors may, but is not required to, adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include one or more directors and may include persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the president its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Articles of Incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association.
- (d) Authorize the voluntary dissolution of the Association.
- (e) Revoke proceedings for the voluntary dissolution of the Association.
- (f) Adopt a plan for the distribution of the assets of the Association.
- (g) Amend, alter, or repeal the Bylaws.
- (h) Elect, appoint, or remove a member of a committee or a director or officer of the Association.
- (i) Approve any transaction to which the Association is a party and that involves a potential conflict of interest as defined in paragraph 9.04, below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (k) Take final action on a matter that requires the approval of the members.

Architectural Control Committee

8.02 An Architectural Control Committee has been established by the Declaration and shall function according to said Declaration, and these Bylaws.

Term of Office

8.03 Each member of a committee shall continue to serve on the committee until the next annual meeting of the Directors of the Association and until a successor is appointed by the Board of Directors. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, is removed, or ceases to be, a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

Chair and Vice-Chair

8.04 One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the Board of Directors. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

Notice of Meetings

8.05 Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than three (3) nor more than thirty (30) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose of purposes for which the meeting is called. The meeting shall be held in Collin or a contiguous county.

Quorum

8.06 One half (1/2) of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

Actions of Committee

8.07 A committee shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

Proxies

8.08 A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after eleven (11) months from the date of its execution.

Compensation

8.09 Committee members shall not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to committee members of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the committee. A committee member may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount. Notwithstanding the foregoing, as provided in the Declaration, one or more members of the Architectural Control Committee may be professionals retained by the Board and such parties may be compensated as agreed by the Board.

Rules

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

Subject to Board of Directors

8.11 All committees may be appointed by the Board, and are finally subject to the decision of the Board in event of a conflict between a committee decision and a Board decision.

ARTICLE 9

TRANSACTIONS OF THE ASSOCIATION

Contracts

9.01 The Board of Directors may authorize any officer or agent of the Association to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Association. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Deposits

9.02 All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositaries as the Board may select.

Gifts

9.03 The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association. The Board of Directors may make gifts and give charitable

contributions that are not prohibited by the Bylaws, the Articles of Incorporation, state law, and any requirements for maintaining the Association's federal and state tax status.

Potential Conflicts of Interest

9.04 The Association shall not make any loan to a director, officer or member of the Association. A member, director, officer, or committee member of the Association may lend money to and otherwise transact business with the Association except as otherwise provided by the Bylaws, Articles of Incorporation, and all applicable laws. Such a person transacting business with the Association has the same rights and obligations relating to those matters as other persons transacting business with the Association. The Association shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Association unless the transaction is described fully in a legally binding instrument and is in the best interests of the Association. The Association shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Association without full disclosure of all relevant facts and without the approval of the Board of Directors. Nothing herein shall prohibit the Declarant, during the Class B control period, from advancing funds in behalf of the Association and being reimbursed by the Association for such advances.

Prohibited Acts

9.05 As long the Association is in existence, and except with the prior approval of the Board of Directors (to the extent the Directors have authority to so approve), no director, officer, or committee member of the Association shall:

- (a) Do any act in violation of the Bylaws or a binding obligation of the Association.
- (b) Do any act with the intention of harming the Association or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended ordinary business of the Association.
- (d) Receive an improper personal benefit from the operation of the Association.
- (e) Use the assets of this Association, directly or indirectly, for any purpose other than carrying on the business of this Association.
- (f) Wrongfully transfer or dispose of Association property, including intangible property such as good will.

(g) Use the name of the Association (or any substantially similar name) or any trademark or trade name adopted by the Association, except on behalf of the Association in the ordinary course of the Association's business.

(h) Disclose any of the Association's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 10

BOOKS AND RECORDS

Required Books and Records

10.01 The Association shall keep correct and complete books and records of account. The Association's books and records shall include:

(a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Association, including, but not limited to, the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.

(b) A copy of the Bylaws, and any amended versions or amendments to the Bylaws.

(c) Minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors.

(d) A list of the names and addresses of the members, directors, officers, and any committee members of the Association.

(e) A financial statement showing the assets, liabilities, and net worth of the Association at the end of the most recent fiscal year.

(f) A financial statement showing the income and expenses of the Association for the most recent year.

(g) All rulings, letters, and other documents relating to the Association's federal, state, and local tax status.

(h) The Association's federal, state, and local information or income tax returns for each of the Association's three most recent tax years.

Inspection and Copying

10.02 Any member, director, officer, or committee member of the Association may inspect and receive copies of all books and records of the Association required to be kept by the Bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Association and if the person submits a request in writing. Any person entitled to inspect and copy the Association's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Association's books and records may do so at a reasonable time no later than seven (7) working days after the Association's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Association's books and records. The Association shall provide requested copies of books or records not later than seven (7) working days after the Association's receipt of a proper written request.

Audits

10.03 Any member shall have the right to have an audit conducted of the Association's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Association to an audit more than once in any fiscal year.

Delegation of Duties

10.04 The Board may delegate the maintenance of correct and complete books and records of account to a professional management company subject to the Board's supervision.

ARTICLE 11

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end of the last day in December in each year.

ARTICLE 12

INDEMNIFICATION

When Indemnification is Required, Permitted, and Prohibited

12.01

(a) The Association shall indemnify a director, officer, committee member, employee, or agent of the Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. For the purposes of this article, an agent includes one who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Association shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Association's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Association shall not indemnify a person who is found liable to the Association or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of *nole contendere* or its equivalent does not necessarily preclude indemnification by the Association.

(c) The Association shall pay or reimburse expenses incurred by a director, officer, committee member, employee, or agent of the Association in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Association when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Association may indemnify a director, officer, committee member, employee, or agent of the Association to the extent permitted by law. However, the Association shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 12.01(a), above.

(e) Before the final disposition of a proceeding, the Association may pay indemnification expenses permitted by the Bylaws and authorized by the Association. However, the Association shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Association or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Association may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by

or on behalf on the Association, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

12.02

(a) Before the Association may pay any indemnification expenses (including attorney's fees), the Association shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, ~~except as provided in paragraph 12.02(c) below.~~ The Association may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

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

(iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 12.02(a)(i) or 12.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(iv) Majority vote of members, excluding directors who are named defendants or respondents in the proceeding.

(b) The Association shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. ~~If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the same manner specified by paragraph 12.02(a)(iii), above, governing the selection of special legal counsel.~~ A provision contained in the Articles of Incorporation, the Bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 12.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Association shall pay indemnification expenses before final disposition of a proceeding only after the Association determines that the facts then known would not preclude indemnification and the Association receives a written affirmation and undertaking from the person to be indemnified. The determination that

the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 12.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Association if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Association. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE 13

NOTICES

Mode of Delivery

13.01 Any notice required or permitted by the Bylaws to be given to a member, director, officer, or member of a committee of the Association may be given by mail, telecopy, courier, hand delivery, or telegram. If given by courier, hand delivery or telecopy, notice shall be deemed delivered upon receipt. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Association, with postage prepaid as provided in Section 11.8 of the Declaration. If given by telegram, a notice shall be deemed to be delivered when accepted by the telegraph company and addressed to the person at his or her address as it appears on the records of the Association.

Signed Waiver of Notice

13.02 Whenever any notice is required to be given under the provisions of the Act or under the provisions of the Articles of Incorporation, the Declaration, or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

Waiver of Notice by Attendance

13.03 The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 14

SPECIAL PROCEDURES CONCERNING MEETINGS

Meeting by Telephone Call

14.01 The Board of Directors, and any committee of the Association may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear one another. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

Decision Without Meeting

14.02 Any decision required or permitted to be made at a meeting of the Board of Directors, or any committee of the Association may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by the requisite number of persons entitled to vote on the matter required for passage. The original signed consents shall be placed in the Association minute books and kept with the Association's records. If less than all persons entitled to vote are represented in the written consent but a requisite number have joined to pass the measure then the Secretary must certify that all Members have received notice and have been given an opportunity to consent or object to the proposition submitted for written consent.

Voting by Proxy

14.03 A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer.
- (b) The proxy authority expires under the terms of the proxy.
- (c) The proxy authority expires under the terms of the Bylaws.

ARTICLE 15

AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by the Board of Directors. The notice of any meeting at which the Bylaws are proposed to be altered, amended, or repealed, or at which new Bylaws are proposed to be adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 16

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

16.01 The Bylaws shall be construed in accordance with the laws of the State of Texas. All reference in the Bylaws to statutes, regulation, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Legal Construction

16.02 If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws. Subject to the requirements of legality, the construction, interpretation, and application of the provisions of the Bylaws shall be vested in the Board of Directors whose decision shall be final and binding.

Headings

16.03 The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

Gender

16.04 Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

Power of Attorney

16.06 A person may execute any instrument related to the Association by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Association to be kept with the Association records.

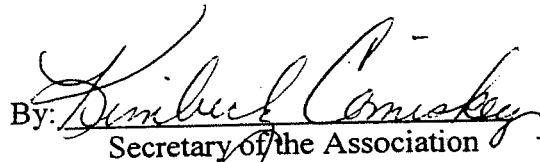
Parties Bound

16.07 The Bylaws shall be binding upon and inure to the benefit of the members, directors, officers, committee members, employees, and agents of the Association and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

16.08 In the event of a conflict between these Bylaws and the Declaration the Declaration shall take precedence.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of LIBERTY HOMEOWNERS ASSOCIATION, INC., and that the foregoing Bylaws constitute the Bylaws of the Association. These Bylaws were duly adopted at a meeting of the Board of Directors held on March 5th, 2004.

By: 
Secretary of the Association

(Articles OF Inc. were filed by Charles Spencer 8/5/2003 Filing Number 800235040. EE)

EXHIBIT "C"

ARTICLES OF INCORPORATION

OF

LIBERTY HOMEOWNERS ASSOCIATION, INC.

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

ARTICLE I

NAME

The name of the corporation is Liberty Homeowners Association, Inc. hereinafter called the "Association". [The defined terms in these Articles shall have the meanings set forth in the Declaration (hereinafter defined).]

ARTICLE II

NON-PROFIT STATUS

The Association is a non-profit corporation.

ARTICLE III

DURATION

The period of its duration is perpetual.

ARTICLE IV

PURPOSES AND POWERS

1. The Association is organized and shall be operated exclusively as a homeowners' association within the meaning of Section 528 of the Internal Revenue law or laws (the "Code"). The specific and primary purposes for which it is formed are to provide for maintenance, preservation of the Common Properties and architectural control of the residential Lots and Common Properties (the "Property") described in the Declaration, and

to promote the health, safety, and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association; and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for LIBERTY, Collin County, Texas, as amended or supplemented from time to time, hereinafter called the "Declaration", applicable to the Property as recorded in the records of the Office of the County Clerk of Collin County, Texas, such declaration being incorporated herein; and

(b) have and to exercise any and all powers, rights and privileges, which a corporation organized under the Texas, Non-Profit Corporation Act by law may now or hereafter have or exercise.

ARTICLE V

REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Association is 17480 Dallas Parkway, Suite 200, Dallas, Texas 75287, and the name of its initial registered agent at such address is Angie Waddle.

ARTICLE VI

MEMBERSHIP

The Association shall have Members.

ARTICLE VII

INITIAL DIRECTORS

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 directors until the first annual meeting of the shareholders, or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Angie Waddle	17480 Dallas Parkway Suite 200, Dallas, Texas 75287
Fred Balda	17480 Dallas Parkway Suite 200,

Dallas, Texas 75287

Elaine Esparza

17480 Dallas Parkway
Suite 200,
Dallas, Texas 75287

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is:

Charles W. Spencer
8111 LBJ Freeway
Suite 920
Dallas, Texas 75251

ARTICLE IX

INDEMNITY

The Association shall indemnify, defend and hold harmless the Declarant, the Board, the Architectural Control Committee, Management Company, and each director, officer, employee and agent of the Declarant, the Board, the Architectural Control Committee and the Management Company from all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) incurred by such indemnified person under or in connection with the Declaration or the Properties to the fullest extent permitted by applicable law, such indemnity to include matters arising as a result of the sole or concurrent negligence of the indemnified party, to the extent permitted by applicable law.

ARTICLE X

LIABILITY OF DIRECTORS

A director of the Association shall not be liable to the Association or its Members for monetary damages resulting from an act or omission in his capacity as a director of the Association, except that this Article X does not authorize the elimination or limitation of the liability of a director to the extent the director is found liable for:

1. a breach of the director's duty of loyalty to the Association or its Members;

2. an act or omission not in good faith that constitutes a breach of duty of the director to the Association or an act or omission that involves intentional misconduct or a knowing violation of the law;

3. a transaction from which the director received an improper benefit (one to which he was not otherwise entitled in a capacity other than as director); or

4. an act or omission for which the liability of a director is expressly provided by an applicable statute.

The foregoing elimination of liability to the Association shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of these Articles of Incorporation, the bylaws of the Association, a contract or agreement, vote of directors, principle of law or otherwise. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any Association existing at the time of the repeal or modification. In addition to the circumstances in which a director of the Association is not liable to the full extent permitted by any amendment to the Texas Miscellaneous Corporation Laws Act or the Texas Non-Profit Corporation Act hereinafter enacted that further limits the liability of a director.

ARTICLE XI

CONSENT IN LIEU OF MEETING

Any action required by the statutes to be taken at any annual or special meeting of members or directors of the Association, or any action that may be taken at any annual or special meeting of the members or directors or of any committee, may be taken without a meeting, if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voting.

Prompt notice of the taking of any action by members, directors, or a committee without a meeting by less than unanimous written consent shall be given to all members, directors or committee members who did not consent in writing to the action.

A telegram, telex, cablegram, or similar transmission, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a director, member or committee member, shall be regarded as signed by such person for the purposes of this Article.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of July, 2003.

Charles W. Spencer
Charles W. Spencer, Incorporator

APPOINTMENT OF DIRECTOR OF

LIBERTY HOMEOWNERS ASSOCIATION, INC.

WHEREAS, Liberty Homeowners Association, Inc., a Texas nonprofit corporation (the "Association"), was formed as a Texas nonprofit corporation on August 5, 2003; and

WHEREAS, the Articles of Incorporation of the Association have appointed, as the initial directors, Angie Waddle, Fred Balda, and Elaine Esparza; and

WHEREAS, Elaine Esparza has tendered her resignation as a director; and

WHEREAS, Section 6.02 of the Bylaws of the Association provide that the Declarant is to appoint directors until management control is passed to the Class A Members which has not occurred as of this date; and

NOW, THEREFORE, PREMISES CONSIDERED, Hillwood RLD, L.P., a Texas limited partnership ("Declarant"), acting by and through its duly authorized officer, hereby takes the following action:

1. The resignation of Elaine Esparza as a director of the Association is hereby accepted.
2. Kim Comiskey is appointed to serve for the remaining term of Elaine Esparza or until her replacement is appointed.

Executed as of the 5th day of March, 2004.

HILLWOOD RLD, L.P.,
a Texas limited partnership

By: Hillwood Operating, L.P., a Texas
limited partnership, its general partner

By: Hillwood Development Company, LLC
a Texas corporation, its general partner

By: [Signature]
Name: Angie Waddle
Title: VP

5621 05256

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE
DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND
UNENFORCEABLE UNDER FEDERAL LAW
(THE STATE OF TEXAS) (COUNTY OF COLLIN)
I hereby certify that this instrument was FILED in the File Number Sequence on the date
and the time stamped hereon by me; and was duly RECORDED, in the Official Public
Records of Real Property of Collin County, Texas on

MAR 08 2004

Brenda Taylor



Filed for Record in:
Collin County, McKinney TX
Honorable Brenda Taylor
Collin County Clerk

On Mar 08 2004
At 3:17pm

Doc/Num : 2004- 0032507

Recording/Type:FD 154.00
Receipt #: 8909

Deeds/Miscellaneous



20070220000229090

02/20/2007 09:09:23 AM FD 1/13

**SUPPLEMENTAL DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LIBERTY, PHASE 2**

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Supplemental Declaration") is executed by HILLWOOD RLD, L.P., a Texas limited partnership, ("Declarant").

RECITALS:

A. Declarant is the fee owner of all of the tracts of land described in the Final Plat of Liberty, Phase 2, filed in the Real Property Records of Collin County, Texas on December 27, 2006 as 2006-862 – 2006-865, and described in the legal description, which is hereby attached as Exhibit A and B and incorporated herein by this reference.

B. Declarant has heretofore executed and recorded a certain Declaration of Covenants, Conditions and Restrictions of Liberty; dated March 3, 2004 and recorded on March 8, 2004, (the "Original Declaration") under Document No. 2004-0032507, Volume 5621 05186 - 05256 of the Real Property Records of Collin County, Texas. Capitalized terms not otherwise defined shall have the meanings assigned in the Original Document.

C. WHEREAS, Hillwood RLD, L.P. now desires to annex the Additional Property into, and make the Additional Property subject to, the Original Declaration pursuant to Declarant authority as provided in Article X, Section 10.1 of the Original Declaration.

D. This Supplemental Declaration is a Supplemental Declaration of Covenants, Conditions and Restrictions as described in Section 10.1 of the Original Declaration and is executed pursuant to such section for the purpose of annexing the Liberty, Phase 2 to the property covered by the Original Declaration.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares, subject to the terms and provisions set forth herein below, as follows:

1. The Liberty, Phase 2 Property shall be held, sold, transferred and conveyed subject to the Easement, Covenants, Conditions and Restrictions set forth in the Original Declaration. The Covenants, Conditions, Restrictions and easements set forth in the Original Document and in this Supplemental Declaration shall run with the land and shall be binding on all parties acquiring any right, title or interest in the Liberty, Phase 2 Property or any part thereof, and shall inure to the benefit of each Owner of all or a part of the Property.

2. The Original Declaration, as supplemented and amended by this Supplementary Declaration, remains in full force and effect.

EXECUTED and acknowledged as of January 30, 2007.

DECLARANT:

By: Hillwood RLD, L.P.
a Texas limited partnership

By: Hillwood Operating L.P. a Texas
limited partnership, General Partner

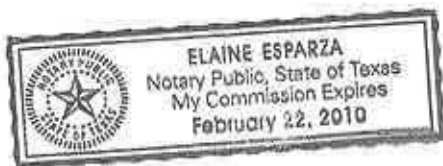
By: Hillwood Development Company, LLC,
a Texas limited liability company,
General Partner

By: Angela Waddle 1-30-07
Angela Waddle
Vice President

THE STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 30th day of January 2007, by Angela Waddle, Vice President of Hillwood Development Company, a Texas corporation, on behalf of such corporation in its capacity as general partner of Hillwood RLD, L.P., a Texas limited partnership.



Elaine Esparza
Notary Public, State of Texas

Elaine Esparza
Printed/Typed Name

LIBERTY PHASE 2

EXHIBIT B

STATE OF TEXAS)(
COUNTY OF COLLIN)(

WHEREAS HILLWOOD RLD L.P., IS THE SOLE OWNER OF A 31.232 ACRE TRACT OF LAND SITUATED IN THE D.E.W. BABB SURVEY, ABSTRACT NO. 33, IN THE CITY OF MELISSA, COLLIN COUNTY, TEXAS, AND BEING A PART OF THE REMAINDER OF A TRACT OF LAND DESCRIBED AS TRACT 1, IN DEED TO HILLWOOD RLD, L.P., RECORDED IN COUNTY CLERKS FILE NO. 2003-0136381, DEED RECORDS COLLIN COUNTY, TEXAS. SAID 31.232 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2" CAPPED IRON ROD FOUND STAMPED "#4545", FOR THE NORTHEAST CORNER OF SAID TRACT 1,

THENCE ALONG THE EAST LINE OF SAID TRACT 1, THE FOLLOWING COURSES AND DISTANCES:

S 01°16'31" 989.23 FEET TO A 1/2" CAPPED IRON ROD FOUND STAMPED "#4545";

N 81°51'02" W, A DISTANCE OF 439.68 FEET TO A 1/2" CAPPED IRON ROD FOUND STAMPED "#4545";

S 01°59'12" W, A DISTANCE OF 870.16 FEET TO THE **POINT OF BEGINNING**;

THENCE S 01°59'12" W, CONTINUING ALONG SAID EAST LINE, A DISTANCE OF 1271.38 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER, BEING THE COMMON EASTERLY NORTHEAST CORNER OF LIBERTY PHASE 1, RECORDED IN CABINET P, PAGE 802, PLAT RECORDS COLLIN COUNTY, TEXAS;

THENCE ALONG THE NORTH LINE OF SAID LIBERTY PHASE 1, THE FOLLOWING COURSES AND DISTANCES:

N 83°42'05" W, A DISTANCE OF 203.55 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 57°42'39" W, A DISTANCE OF 105.89 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 30°10'49" W, A DISTANCE OF 159.18 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 41°01'43" W, A DISTANCE OF 89.99 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 55°26'45" W, A DISTANCE OF 76.35 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 81°12'48" W, A DISTANCE OF 61.81 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 64°36'53" W, A DISTANCE OF 64.42 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 87°00'29" W, A DISTANCE OF 50.52 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 49°34'25" W, A DISTANCE OF 22.93 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 31°42'27" W, A DISTANCE OF 68.08 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 23°42'43" W, A DISTANCE OF 84.69 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 59°32'21" W, A DISTANCE OF 56.71 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 47°45'04" W, A DISTANCE OF 26.42 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 37°46'46" W, A DISTANCE OF 56.44 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 41°39'09" W, A DISTANCE OF 115.08 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 44°07'43" W, A DISTANCE OF 60.59 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 22°57'33" W, A DISTANCE OF 9.06 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 50°38'41" W, A DISTANCE OF 54.43 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 64°43'18" W, A DISTANCE OF 76.13 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 58°43'22" W, A DISTANCE OF 45.12 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 59°19'24" W, A DISTANCE OF 63.66 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 55°25'17" W, A DISTANCE OF 52.60 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 60°15'10" W, A DISTANCE OF 4.23 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 8°56'38", A RADIUS OF 1030.00 FEET, AN ARC LENGTH OF 160.78 FEET, A CHORD BEARING OF S 06°51'51" W, AND A CHORD LENGTH OF 160.62 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 9°00'17", A RADIUS OF 970.00 FEET, AN ARC LENGTH OF 152.45 FEET, A CHORD BEARING OF S 06°50'02" W, AND A CHORD LENGTH OF 152.29 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 02°19'54" W, A DISTANCE OF 42.42 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°13'14" E, A DISTANCE OF 172.65 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 48°59'21", A RADIUS OF 225.00 FEET, AN ARC LENGTH OF 192.38 FEET, A CHORD BEARING OF S 22°09'47" E, AND A CHORD LENGTH OF 186.57 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 02°19'54" W, A DISTANCE OF 241.36 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 87°40'06" W, A DISTANCE OF 250.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 264.91 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 87°40'06" W, A DISTANCE OF 972.03 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 90.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 912.03 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 100.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 9°00'17", A RADIUS OF 1030.00 FEET, AN ARC LENGTH OF 161.88 FEET, A CHORD BEARING OF N 06°50'02" E, AND A CHORD LENGTH OF 161.71 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 15°05'30", A RADIUS OF 970.00 FEET, AN ARC LENGTH OF 255.50 FEET, A CHORD BEARING OF N 03°47'25" E, AND A CHORD LENGTH OF 254.76 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 35°44'18", A RADIUS OF 330.00 FEET, AN ARC LENGTH OF 205.84 FEET, A CHORD BEARING OF N 14°06'49" E, AND A CHORD LENGTH OF 202.52 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 24°51'44", A RADIUS OF 270.00 FEET, AN ARC LENGTH OF 117.16 FEET, A CHORD BEARING OF N 19°33'06" E, AND A CHORD LENGTH OF 116.24 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 90°00'00" W, A DISTANCE OF 31.85 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 00°00'00" E, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 90°00'00" E, A DISTANCE OF 34.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 00°14'20" E, A DISTANCE OF 28.83 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 89°45'40" E, A DISTANCE OF 60.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 00°14'20" W, A DISTANCE OF 28.58 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 90°00'00" E, A DISTANCE OF 260.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 00°14'20" E, A DISTANCE OF 28.77 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 89°45'40" E, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 00°14'20" W, A DISTANCE OF 28.56 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 90°00'00" E, A DISTANCE OF 15.17 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 13°37'44", A RADIUS OF 275.00 FEET, AN ARC LENGTH OF 65.41 FEET, A CHORD BEARING OF S 83°11'08" E, AND A CHORD LENGTH OF 65.26 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 00°14'20" E, A DISTANCE OF 32.48 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 89°45'40" E, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 00°14'20" W, A DISTANCE OF 49.60 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 24°09'40", A RADIUS OF 275.00 FEET, AN ARC LENGTH OF 115.96 FEET, A CHORD BEARING OF S 53°15'44" E, AND A CHORD LENGTH OF 115.11 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 11°04'53", A RADIUS OF 375.00 FEET, AN ARC LENGTH OF 72.53 FEET, A CHORD BEARING OF S 46°43'20" E, AND A CHORD LENGTH OF 72.41 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 52°15'47" E, A DISTANCE OF 69.66 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 37°44'13" E, A DISTANCE OF 12.79 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF $27^{\circ}20'02''$, A RADIUS OF 225.00 FEET, AN ARC LENGTH OF 107.34 FEET, A CHORD BEARING OF $N 24^{\circ}04'12'' E$, AND A CHORD LENGTH OF 106.32 FEET, TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$S 79^{\circ}35'49'' E$, A DISTANCE OF 50.00 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF $6^{\circ}22'10''$, A RADIUS OF 275.00 FEET, AN ARC LENGTH OF 30.57 FEET, A CHORD BEARING OF $S 13^{\circ}35'16'' W$, AND A CHORD LENGTH OF 30.56 FEET, TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$S 73^{\circ}54'30'' E$, A DISTANCE OF 37.46 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$S 52^{\circ}15'47'' E$, A DISTANCE OF 137.41 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$N 00^{\circ}19'21'' W$, A DISTANCE OF 133.88 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$S 88^{\circ}00'48'' E$, A DISTANCE OF 130.39 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$N 01^{\circ}59'12'' E$, A DISTANCE OF 20.00 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$S 88^{\circ}00'48'' E$, A DISTANCE OF 50.00 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$S 01^{\circ}59'12'' W$, A DISTANCE OF 24.46 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

$S 88^{\circ}00'48'' E$, A DISTANCE OF 125.00 FEET TO A $5/8''$ IRON ROD CAPPED CARTER BURGESS SET FOR CORNER; TO THE **POINT OF BEGINNING**, AND CONTAINING 31.232 ACRES OF LAND, MORE OR LESS.

LIBERTY PHASE 2

EXHIBIT A

STATE OF TEXAS)
COUNTY OF COLLIN)(

WHEREAS HILLWOOD RLD L.P., IS THE SOLE OWNER OF A 28.666 ACRE TRACT OF LAND SITUATED IN THE D.E.W. BABB SURVEY, ABSTRACT NO. 33, IN THE CITY OF MELISSA, COLLIN COUNTY, TEXAS AND BEING A PORTION OF TRACT I OF A TRACT OF LAND DESCRIBED IN DEED TO HILLWOOD RLD L.P., RECORDED IN COUNTY CLERK'S FILE NO. (CC#) 2003-0136381 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.), SAID 28.666 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

COMMENCING AT AN ALUMINUM DISC STAMPED "CARTER BURGESS" SET IN CONCRETE FOR THE SOUTHWEST CORNER OF LIBERTY PHASE 1, AN ADDITION TO THE CITY OF MELISSA, COLLIN COUNTY, TEXAS RECORDED IN VOLUME P, PAGE 802, PLAT RECORDS COLLIN COUNTY, TEXAS (P.R.C.C.T.) AND IN THE COMMON SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO MELISSA LIBERTY I, L.P. BY DEED RECORDED IN VOLUME 5925, PAGE 1806, (D.R.C.C.T.) SAID POINT ALSO BEING ON THE NORTH RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 121 AS RECORDED IN VOLUME 577, PAGE 298, (D.R.C.C.T.)

THENCE ALONG THE SOUTH LINE OF SAID TRACT 1, MELISSA LIBERTY I, L.P. TRACT AND THE COMMON NORTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 121 THE FOLLOWING COURSES AND DISTANCES:

S 54°42'20" W, A DISTANCE OF 634.60 FEET TO A POINT FOR CORNER;

S 55°53'20" W, A DISTANCE OF 442.57 FEET TO A 5/8" IRON ROD CAPPED "CARTER BURGESS" SET FOR CORNER;

THENCE ALONG A WEST LINE OF SAID TRACT 1 AND THE COMMON EAST LINE OF A TRACT OF LAND CONVEYED TO MELISSA LIBERTY II, L.P. BY DEED RECORDED IN CC# 2005-0178444, (D.R.C.C.T.), THE FOLLOWING COURSES AND DISTANCES:

N 34°06'40" W, A DISTANCE OF 385.51 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 33°40'36", A RADIUS OF 1050.00 FEET, AN ARC LENGTH OF 617.16 FEET, A CHORD BEARING OF N 17°16'21" W, AND A CHORD LENGTH OF 608.31 FEET, TO A POINT FOR CORNER;

N 02°26'03" W, A DISTANCE OF 287.53 FEET TO A POINT FOR CORNER;

THENCE

OVER AND ACROSS SAID TRACT 1 THE, FOLLOWING COURSES AND DISTANCES:

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 02°45'56", A RADIUS OF 300.00 FEET, AN ARC LENGTH OF 14.48 FEET, A CHORD BEARING OF N 00°56'55" E, AND A CHORD LENGTH OF 14.48 FEET, TO A POINT FOR CORNER;

N 02°19'54" E, A DISTANCE OF 522.75 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 7°15'08", A RADIUS OF 250.00 FEET, AN ARC LENGTH OF 31.64 FEET, A CHORD BEARING OF N 01°17'40" W, AND A CHORD LENGTH OF 31.62 FEET, TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 7°15'08", A RADIUS OF 250.00 FEET, AN ARC LENGTH OF 31.64 FEET, A CHORD BEARING OF N 01°17'40" W, AND A CHORD LENGTH OF 31.62 FEET, TO A POINT FOR CORNER;

N 02°19'54" E, A DISTANCE OF 195.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR THE **POINT OF BEGINNING**;

N 02°19'54" E, A DISTANCE OF 20.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 87°40'06" W, A DISTANCE OF 816.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 02°19'54" W, A DISTANCE OF 266.91 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 19°07'22" W, A DISTANCE OF 368.28 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 12°18'53" W, A DISTANCE OF 79.44 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 12°36'51", A RADIUS OF 225.00 FEET, AN ARC LENGTH OF 49.53 FEET, A CHORD BEARING OF S 87°46'07" E, AND A CHORD

LENGTH OF 49.43 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 04°04'32" E, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 04°41'21", A RADIUS OF 275.00 FEET, AN ARC LENGTH OF 22.51 FEET, A CHORD BEARING OF S 88°16'08" W, AND A CHORD LENGTH OF 22.50 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 00°36'49" E, A DISTANCE OF 128.90 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER, FROM WHICH A FENCE CORNER POST FOUND BEARS S 77°20'03"E, A DISTANCE OF 5.30 FEET;

N 77°20'03" W, A DISTANCE OF 674.97 FEET TO A 1" IRON PIPE FOUND FOR CORNER;

S 87°47'42" W, A DISTANCE OF 85.59 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 71°05'42" W, A DISTANCE OF 225.90 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER IN THE WEST LINE OF SAID TRACT 1;

THENCE

ALONG SAID WEST LINE THE FOLLOWING COURSES AND DISTANCES:

N 19°07'22" E, A DISTANCE OF 1037.12 FEET TO 1/2" IRON ROD CAPPED "RPLS #4545" FOUND FOR CORNER;

N 03°22'49" E, A DISTANCE OF 317.00 FEET TO AN ALUMINUM DISC STAMPED "CARTER BURGESS" SET IN CONCRETE, FROM WHICH A 1/2" IRON ROD CAPPED "RPLS #4545" FOUND BEARS N 87°43'11" W, A DISTANCE OF 101.80 FEET;

THENCE

OVER AND ACROSS SAID TRACT 1 THE FOLLOWING COURSES AND DISTANCES:

N 74°53'23" E, A DISTANCE OF 44.53 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 26°29'30", A RADIUS OF 491.50 FEET, AN ARC LENGTH OF 227.25

FEET, A CHORD BEARING OF S 28°21'22" E, AND A CHORD LENGTH OF 225.24 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 41°36'07" E, A DISTANCE OF 10.60 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 6°42'38", A RADIUS OF 400.00 FEET, AN ARC LENGTH OF 186.47 FEET, A CHORD BEARING OF S 54°57'26" E, AND A CHORD LENGTH OF 184.79 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 68°18'45" E, A DISTANCE OF 31.66 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 19°21'21", A RADIUS OF 486.50 FEET, AN ARC LENGTH OF 164.35 FEET, A CHORD BEARING OF S 77°59'26" E, AND A CHORD LENGTH OF 163.57 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 62.79 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 25.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 02°19'54" W, A DISTANCE OF 20.81 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A DELTA ANGLE OF 4°31'47", A RADIUS OF 260.00 FEET, AN ARC LENGTH OF 20.55 FEET, A CHORD BEARING OF S 89°56'00" E, AND A CHORD LENGTH OF 20.55 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 745.47 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A DELTA ANGLE OF 90°00'00", A RADIUS OF 40.00 FEET, AN ARC LENGTH OF 62.83 FEET, A CHORD BEARING OF N 47°19'54" E, AND A CHORD

LENGTH OF 56.57 FEET, TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 20.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 02°19'54" W, A DISTANCE OF 180.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 110.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 02°19'54" E, A DISTANCE OF 30.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 87°40'06" E, A DISTANCE OF 77.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

S 02°19'54" W, A DISTANCE OF 210.00 FEET TO A 5/8" IRON ROD CAPPED CARTER BURGESS SET FOR CORNER;

N 87°40'06" W, A DISTANCE OF 77.00 FEET TO THE POINT OF BEGINNING, AND CONTAINING 28.666 ACRES OF LAND, MORE OR LESS.

Filed and Recorded
Official Public Records
Stacey Kemp
Collin County, TEXAS
02/20/2007 09:09:23 AM
\$64.00 DLAIRD
20070220000229090



A handwritten signature in cursive script that reads "Stacey Kemp".