

**ARTICLES OF INCORPORATION
OF
TALL TREE PROPERTY OWNERS ASSOCIATION, INC.**

We, the undersigned, natural persons of the age of eighteen (18) years or more and citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for a non-profit corporation:

ARTICLE ONE

The following words, when used in these Articles of Incorporation, shall have the following respective definitions and meanings:

(a) "Association" shall mean and refer to the Tall Tree Property Owners Association, Inc., its successors and assigns.

(b) "Properties" shall mean and refer to the land and premises located in Franklin County, State of Texas, more particularly described within Annex "A: attached hereto and incorporated herein by reference for all purposes, and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

(c) "Declaration" shall mean and refer to:

- (i) Any and all restrictive covenants and covenants running with the land directly or indirectly pertaining to the Properties, as recorded in the Public Records of Franklin County, Texas; and
- (ii) Any further or subsequent supplements, amendments, additions or modifications to the foregoing instruments, all of which are incorporated herein by reference for all purposes.

(d) "Common Properties" shall mean and refer to any and all areas of land within the Properties which are known, described or designated as common green, common areas, recreational easements, green belts, open spaces, private streets, jogging and bicycle trails, swimming pools, tennis courts, recreational centers or bodies of water on any recorded subdivision plat of the Properties or intended for or devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now or may hereafter be constructed thereon.

(e) "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map(s) or plat(s) of the Properties, as amended for time to time, which is designated as a lot thereon.

(f) "Owner" shall mean and refer to each and every person or entity who is a record owner of a fee or undivided fee interest in any Lot; however, the work "Owner" shall not include person(s) or entity(is) who hold a bona fide lien or interest in a Lot merely as security for the performance of obligation.

(g) "Member" shall mean and refer to each Owner of a Lot.

ARTICLE TWO

The name of the Association is the TALL TREE PROPERTY OWNERS ASSOCIATION, INC., and it shall be a non-profit corporation.

ARTICLE THREE

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are:

- (a) To provide for the acquisition, construction, management, maintenance and care of the Association property;
- (b) To provide for and assist in maintenance, preservation and architectural control of the Properties and to promote the health, safety and welfare of the Owners and residents of the Properties;

- (c) To borrow money (if necessary) and to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, subject to the terms and provisions of, and limitations and prohibitions appearing within, the Texas Miscellaneous Corporation Laws Act and the Texas Non-Profit Corporation Act;
- (d) To cause the Common Properties to be maintained, operated, regulated and administered in accordance with any applicable terms and conditions of the Declaration;
- (e) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as may be set forth in the Declaration;
- (f) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments provided for by the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including any licenses, taxes or governmental charges which may be levied or imposed against the Common Properties or any other property owned by the Association;
- (g) Insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors of the Association, will promote the common benefit and enjoyment of the Owners and residents of the Properties; provided, however, that no part of the net earnings of the Association shall inure to the benefit of or be distributable to any Member, director or officer of the Association, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Association related or pertaining to one or more of its purposes); and provided further that no part of the activities of the Association shall include carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

This Association is and shall be treated as a property owners association under Section 528 of the Internal Revenue Code of 1954.

ARTICLE FOUR

The address of the initial registered office of the Association is One Hillcrest Green, 12700 Hillcrest Road, Suite 258, Dallas, Texas, 75230, and the name of its initial registered agent at such address is R. Mike Ward.

ARTICLE FIVE

The business and affairs of the Association shall be initially managed by a board of three (3) directors. The number of directors may thereafter be changed in accordance with the Bylaws of the Association, but shall in no event be less than three (3) nor more than seven (7) individuals. The names and addresses of the persons who are to act initially in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
R. Mike Ward	12700 Hillcrest Road Suite 258 Dallas, Texas 75230
Ray Wylie	12700 Hillcrest Road Suite 258 Dallas, Texas 75230

Beverly Selman

12700 Hillcrest Road
Suite 258
Dallas, Texas 75230

ARTICLE SEVEN

The name and address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
R. Mike Ward	12700 Hillcrest Road Suite 258 Dallas, Texas 75230
Ray Wylie	12700 Hillcrest Road Suite 258 Dallas, Texas 75230
Beverly Selman	12700 Hillcrest Road Suite 258 Dallas, Texas 75230

ARTICLE EIGHT

Every person or entity who is now or hereafter becomes an Owner shall automatically be and must remain a Member of the Association, and membership shall be appurtenant to and may not be separated from ownership of any Lot.

ARTICLE NINE

The Association may indemnify any person who is or was a director or officer of the Association and any person who serves or served at the Association's request as a director or officer as follows:

- (a) In case of a suit by or in the right of the Association against a director or officer by reason of his holding such a position, the Association shall indemnify such person against expenses (including attorney's fees) actually and necessarily incurred by him in connection with the defense or settlement of such action or suit if he is successful on the merits or otherwise, or if he acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such director or officer shall have been finally adjudged to be liable for negligence of misconduct in the performance of his duty to the Association;
- (b) In case of a threatened, pending or completed suit, action or proceeding (whether civil, criminal, administrative or investigative, other than a suit by or in the right of the Association, together hereafter referred to as a non-derivative suit, against a director or officer by reason of his holding a position set forth above, the Association shall indemnify him against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action, suit or proceeding if he is successful on the merits or otherwise or if he acted in good faith in the transaction which is the subject of the non-derivative suit to the best interests of the Association and with respect to any criminal action or proceeding, had no

- reasonable cause to believe his conduct was unlawful. The termination of a non-derivative suit by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the director or officer did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful;
- (c) Indemnification provided under paragraphs (a) and (b) above shall be made by the Association [except as provided in paragraph (a) hereof] only upon a determination of the specific case that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph (b) hereof. Such determination shall be made: (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel and a written opinion, or (3) by vote of the Members. Indemnification may be prorated so as to indemnify such director or officer as to some matters but not to others;
 - (d) The Association may pay, in advance, any expenses (including attorneys' fees) which may become subject to indemnification hereunder if: (1) the Board of Directors authorizes the specific payment, and (2) the director or officer receiving the payment undertakes in writing to repay such payment unless it is ultimately determined that he is entitled to indemnification by the Association under this Article Nine;
 - (e) The indemnification provided for herein shall not be exclusive of any of the rights to which a person may be entitled by law, the Bylaws of the Association, agreement, vote of Members or disinterested directors, or otherwise, shall continue as to a director or officer, who has ceased to hold such position and shall inure to his heirs, executors and administrators;
 - (f) The Association may purchase and maintain insurance on behalf of any person who holds or who has held any position of director or officer against any liability asserted against him and incurred by him in any such position, or arising out of his status as such; and
 - (g) The foregoing provisions shall be liberally construed so that, inter alia, the masculine gender includes the feminine and vice-versa.

IN WITNESS WHEREOF, we have hereunto set out hands this 14th day of December, 1982.

R. Mike Ward
Ray Wylie
Beverly Selman

NOTARIZED: December 14, 1982

ANNEX "A"

All those certain tracts in Franklin County, Texas which have been subdivided into lots and which are described as follows:

Plat Recording Data in Franklin County, Texas

<u>Name of Subdivision</u>	<u>Surveyor's Book/Volume</u>	<u>Page</u>
Tall Tree #1	E	105
Tall Tree #2	F	1
Tall Tree #3	F	1
Tall Tree #3 (Lots 92-A through 92-I, Block 13, Section 3)	H	85
Tall Tree East	G	250
Tall Tree North: Unit 1: Lots 1-26 Unit 2: Lots 47-136 Lots 144-331 Lots 351-358 Lot 373 Lots 381-416 Lots 456-510 Unit 3: Lots 50-105 Lots 164-217 Lots 222-254	H	27
Tall Tree North: Unit 1: Lots 27-40 Unit 2: Lots 1-46 Lots 137-143 Lots 332-350 Lots 359-372 Lots 374-380 Lots 417-455 Unit 3: Lots 1-49 Lots 106-163 Lots 218-221 Lots 255-375	H	28
Tall Tree South (Unit 1)	H	31