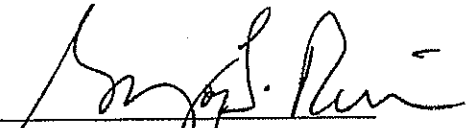


CERTIFICATE OF ADOPTION OF BYLAWS OF
WINDMILL FARMS ASSOCIATION, INC.

The undersigned, as members of the Board of Directors of Windmill Farms Association, Inc., a non-profit corporation organized under the Texas Non-Profit Corporation Act (the "Corporation"), being all of the members of the Board of Directors of the Corporation as presently constituted, hereby certify that attached hereto as Exhibit A, is a true and correct copy of the original Bylaws of the Corporation ("Bylaws") that were duly adopted by the unanimous written consent of the Board of Directors without a meeting on August 2, 2001, and that the Bylaws have not been amended, modified or repealed in any respect.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as directors on behalf of the Corporation as of this 20th day of July, 2005.



JAMES A. SIEPIELA
DIRECTOR

GREGORY L. RICH
DIRECTOR

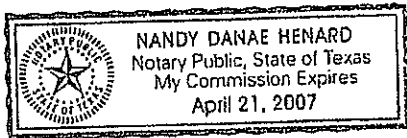
J. RANDALL BARNETT
DIRECTOR

After recording, please return to:
Bruce Bringardner

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME on this 26 day of July, 2005, personally appeared James A. Siepiela, Director of Windmill Farms Association, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:

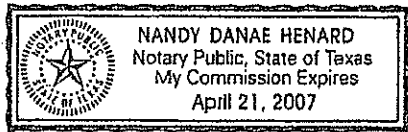


Nandy Danae Henard
Notary Public - State of Texas
Nandy Danae Henard
(Printed name)

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME on this 26 day of July, 2005, personally appeared Gregory L. Rich, Director of Windmill Farms Association, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:

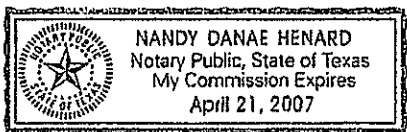


Nandy Danae Henard
Notary Public - State of Texas
Nandy Danae Henard
(Printed name)

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME on this 26 day of July, 2005, personally appeared J. Randall Barnett, Director of Windmill Farms Association, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:



Nandy Danae Henard
Notary Public - State of Texas
Nandy Danae Henard
(Printed name)

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00016873

Bk
OR

Vol
2698

Ps
325

EXHIBIT A
BYLAWS

BYLAWS
OF
WINDMILL FARMS ASSOCIATION, INC.

These Bylaws of Windmill Farms Association, Inc. (the "Bylaws") govern the affairs of Windmill Farms Association, Inc., a non-profit corporation (the "Association") that was organized under the Texas Non-Profit Corporation Act (the "Act").

ARTICLE ONE
OFFICES

1.1 Principal Office. The principal office of the Association in the State of Texas shall be located at 5001 LBJ Freeway, Suite 830 in Dallas, Dallas County, Texas. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Board of Directors may change the location of any office of the Association.

1.2 Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a Registered Office and a Registered Agent as required by the Act. The Registered Office may be, but need not be, the same as the principal office of the Association. The Registered Office or the Registered Agent, or both, may be changed from time to time by the Board of Directors.

ARTICLE TWO
DEFINITIONS

The terms that are defined in that certain Master Declaration of Covenants, Conditions and Restrictions for Windmill Farms that was recorded in Book 1737, Pages 72-97 of the Real Property Records of Kaufman County, Texas (the "Declaration"), as the Declaration may be amended, changed or modified from time to time, shall have the same meanings in these Bylaws.

ARTICLE THREE
MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Each person or legal entity who owns a fee or undivided fee interest in a Lot, tract or parcel of land which is a part of the Property,

including homebuilders and contract sellers, shall be a Member of the Association. Persons or entities who hold such an interest merely as security for the performance of an obligation shall not be a Member of the Association; provided, however, that the purchaser at a foreclosure sale or trustee's sale shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot, tract or parcel of land which is a part of the Property.

3.2 Classes of Members. The Association shall have the following two (2) classes of voting membership to be designated, respectively, as Class A and Class B:

(A) Class A: The Class A Members shall be each and every person or legal entity who shall own any Lot, tract or parcel of land in the Property, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Residential Lot owned and one (1) vote for each one thousand (1,000) square feet of building located on Commercial Property. When two (2) or more persons or entities own undivided interests in any Lot, tract or parcel of land, all such persons or entities shall be Class A Members of the Association, but the vote for that Lot, tract or parcel of land, shall be exercised as the owners shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot or one thousand (1,000) square feet of building on Commercial Property in which Class A Members own undivided interests.

(B) Class B: The Class B Member shall be the Declarant, which shall be entitled to one hundred (100) votes for each Lot owned by it, one hundred (100) votes for each one thousand (1,000) square feet of building located on Commercial Property owned by it, and one hundred (100) votes per acre of unplatted land owned or controlled by it.

ARTICLE FOUR MEETINGS OF MEMBERS

4.1 Annual Meetings. An annual meeting of the Members shall be held on the second Monday of March in each year, beginning in the year 2002, at the hour of 8:00 o'clock P.M., for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, the meeting shall be held on the next succeeding regular business day. If the election of Directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

4.2 Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors or upon written request of Members having not less than one-tenth (1/10th) of the votes of the Members of the Association entitled to be cast at that meeting.

4.3 Place of Meetings. The Board of Directors may designate any place as the place of meeting for any annual meeting and for any special meeting that is called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Association; provided, however, that in the event that all of the Members shall meet at any time and place and consent to the holding of a meeting, the meeting shall be valid without call or notice and any corporate action may be taken at that meeting.

4.4. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, 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, by or at the direction of the President, the Secretary or the Officers or persons calling the meeting. In case of a special meeting, the purpose or purposes for which the meeting is called shall also be stated in the notice. If personally delivered, the notice of a meeting shall be deemed to be delivered when actually received by the recipient thereof. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested and addressed to the Member at his address as it appears on the books of the Association.

4.5. Quorum and Manner of Action. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, Twenty Percent (20%) of all the votes of the Members shall constitute a quorum. If a quorum is not present or represented at any meeting of Members, Members holding a majority of the votes present or represented at the meeting may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At a reconvened meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. When a quorum is present or represented at any meeting, the vote of the majority of the votes entitled to be cast by the Members present or represented at the meeting shall be required to decide any question brought before the meeting, unless the question is one upon which a different vote is required by express provision of the Act.

4.6. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its

execution, unless otherwise provided in the proxy. Any proxy shall automatically terminate upon conveyance by the Member of his Lot.

4.7 Conduct of Meeting. At every meeting of the Members, the President, or in his absence, the Vice President, shall act as Chairman. The Secretary of the Association, or in his absence, any person appointed by the Chairman, shall act as Secretary at all meetings of the Members.

4.8 Action Without Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof.

ARTICLE FIVE BOARD OF DIRECTORS

5.1 General and Election. The affairs of the Association shall be managed by its Board of Directors. Except as provided in Section 5.2 of these Bylaws, the Directors shall be elected by the Members, which election may be conducted by mail. Directors do not have to be residents of the State of Texas or Members of the Association.

5.2 Number and Tenure. The Board of Directors shall consist of three (3) Directors. The Directors shall be selected by the Declarant so long as the Declarant owns land within the Property. After the Declarant no longer owns land within the Property, the Members shall elect three (3) Directors for a term of two (2) years each, which Directors shall be elected in staggered terms and shall serve until their successors have been elected and qualified.

5.3 Removal. A Director may be removed from the Board of Directors, with or without cause, by the vote of the majority of the votes entitled to be cast by the Members of the Association.

5.4 Vacancies. So long as the Declarant owns land within the Property, any vacancy occurring in the Board of Directors shall be filled by the Declarant. After the Declarant no longer owns land within the Property, any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of the Members or at a special meeting of the Members called for that purpose.

5.5 Regular Meetings. Regular meetings of the Board of Directors shall be held at the times and at the places as shall be fixed from time to time by resolution of the Board of Directors. In the event that the date of any meeting falls upon a legal holiday, then that meeting shall be held at the same time on the next business day which is not a legal holiday.

5.6 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any Director. The person authorized to call special meetings of the Board of Directors may fix any place as the place for holding the special meeting of the Board of Directors called by him.

5.7 Notice. Notice of any special meeting of the Board of Directors shall be given at least three (3) days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

5.8 Quorum and Manner of Action. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

5.9 Compensation. No Director shall receive compensation for serving as Director. Each Director shall be reimbursed for his actual expenses incurred in the performance of his duties.

5.10 Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors.

ARTICLE SIX POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1. Generally. The Board of Directors shall have the powers and duties that are necessary for the performance and administration of the purposes of the Association as set forth in the Articles of Incorporation.

6.2 Powers. In addition to any powers granted to the Board of Directors by the Declaration, the Articles of Incorporation or the other provisions of these Bylaws, the powers of the Board of Directors shall include, but shall not be limited to, the following:

(A) To establish and publish uniform rules and regulations that may be deemed by the Board of Directors to be reasonable in connection with the use, occupancy and maintenance of the Common Areas including, without limitation, rules governing the delegation of the rights of an owner in and to the Common Areas and facilities to others, and to alter, amend or modify those rules and regulations from time to time;

(B) To suspend voting rights, the right to the use of the Common Areas, impose fines and otherwise enforce the provisions of the Declaration, and seek damages and/or equitable relief or other remedial action for violations of the terms of the Declaration, the Articles of Incorporation, these Bylaws or the rules and regulations of the Association in accordance with the procedures set forth in the Declaration;

(C) To levy annual assessments and special assessments upon the owners of the Lots, to charge interest on past-due assessments, and to establish and maintain maintenance funds, all in accordance with the terms of the Declaration, and to enforce liens for payment of assessments in accordance with the procedures set forth in the Declaration;

(D) To declare the office of a member of the Board of Directors to be vacant in the event that that member shall be absent from two (2) consecutive regular meetings of the Board of Directors;

(E) To employ the services of a Manager, and to delegate any of the powers, duties or functions of the Board of Directors to the Manager, and to employ any other persons that the Board of Directors shall from time to time determine to be necessary or proper to the daily management, operation and maintenance of the Common Areas;

(F) To enter into contracts on behalf of the Association with utility companies with respect to utility installation, consumption and service matters;

(G) To borrow funds on behalf of the Association to pay any costs of operation, secured by assignment or pledge of rights against owners for current, delinquent and/or future assessments, that the Board of Directors may determine, in its sole judgment and discretion, to be necessary and appropriate;

(H) To enter into contracts on behalf of the Association for goods and services or other Association purposes, provide services it deems proper, maintain

one or more bank accounts, and generally to have all the powers necessary or incidental that may be required for prudent operation and management of the Association;

(I) To sue or to defend in any court of law on behalf of the Association;

(J) To exercise those powers which the Board of Directors deems appropriate and proper in fulfilling its obligations and responsibilities under the terms of the Declaration or these Bylaws or which, in its reasonable opinion, shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration; and

(K) To exercise for and on behalf of the Association all powers, duties and authority vested in or delegated to the Association not otherwise reserved to the Membership by the provisions of these Bylaws, the Articles of Incorporation or the Declaration.

6.3 Duties. The duties of the Board of Directors shall include, but shall not be limited to, the following:

(A) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;

(B) To maintain or cause to be maintained detailed books of account for the business and affairs of the Association;

(C) To elect, appoint and/or hire and supervise all Officers, agents and employees of the Association;

(D) To levy and enforce the assessments and lien for assessments and other remedial measures provided in the Declaration;

(E) To issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(F) To pay or cause to be paid all taxes and assessments of whatever type duly assessed against all or any portion of the Common Areas or the Association which are not separately assessed to the owners;

(G) To procure and maintain adequate general liability insurance and liability and hazard insurance on property that is owned by the Association;

(H) To cause Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(I) To maintain or provide for the maintenance of the Common Areas and other areas of the Property required to be maintained by the Association; and

(J) To perform all other duties required of the Association not otherwise required to be performed by the Members, by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

ARTICLE SEVEN OFFICERS

7.1 Officers. The Officers of the Association shall consist of a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other Officers as may be elected in accordance with the provisions of this Article Seven. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

7.2 Election and Term of Office. The Officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, the election shall be held as soon as practicable thereafter. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and qualified.

7.3 Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. The removal of an Officer shall be without prejudice to the contract rights, if any, of the Officer so removed.

7.4 Vacancies. A vacancy in any office because of death, resignation, disqualification, removal or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

7.5 President. The President shall be the Chief Executive Officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, or without any other Officer of the Association if so authorized by the Board of Directors, any deeds, mortgages,

bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other Officer. In general, the President shall perform all duties incident to the office of President and any other duties that may be prescribed by the Board of Directors from time to time.

7.6 Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President designated by the Board of Directors shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform any other duties that from time to time may be assigned to him by the President or the Board of Directors.

7.7 Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in the sum and with the surety or sureties that the Board of Directors shall determine. He shall have custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all moneys in the name of the Association in the banks, trust companies or other depositories that shall be selected in accordance with these Bylaws; and, in general, perform all the duties incident to the office of Treasurer and any other duties that from time to time may be assigned to him by the President or by the Board of Directors.

7.8 Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws, the Declaration, or as required by the Act; be custodian of the records and of the seal of the Association, and affix the seal of the Association to documents, when directed by the Board of Directors; keep a register of the post office address of each Member which shall be furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of Secretary and any other duties that from time to time may be assigned to him by the President or by the Board of Directors.

ARTICLE EIGHT COMMITTEES

8.1 Architectural Control Committee. The Association shall have an Architectural Control Committee composed of three (3) members, who shall be appointed by the Declarant until the Declarant no longer owns any land within the Property. After the Declarant no longer owns any land within the Property, the Board of Directors shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Architectural Control Committee. Any and all members of the Architectural Control Committee may be removed by the Declarant without cause. The Architectural Control Committee shall have the authority and perform the duties that are set forth in the Declaration.

8.2 Other Committees. In addition to the Architectural Control Committee previously authorized, other committees may be designated by a resolution adopted by the Board of Directors. Except as otherwise provided in such resolution, members of each committee shall be Members of the Association, and the President of the Association shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint members, whenever in their judgment the best interests of the Association shall be served by such removal. Each member of a committee shall continue to serve until the next annual meeting of the Members of the Association and until his successor is appointed, unless the committee is sooner terminated, or unless the member be removed from the committee, or unless the member shall cease to qualify as a member. One member of each committee shall be appointed Chairman by the person or persons authorized to appoint the members thereof. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE NINE CONTRACTS, CHECKS, FUNDS AND GIFTS

9.1 Contracts and Documents. The Board of Directors may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument or other document in the name of and on behalf of the Association. The authority may be general or confined to specific instances.

9.2 Checks and Drafts. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by the Officer or Officers, agent or agents of the Association and in the manner that shall from time to time be determined by resolution of the Board of Directors.

9.3 Funds. All funds of the Association shall be deposited from time to time to the credit of the Association in the banks or other depositories that the Board of Directors may select.

9.4 Gifts. 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.

ARTICLE TEN MISCELLANEOUS

10.1 Books and Records. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, the Board of Directors and committees having any authority of the Board of Directors. The Association shall also keep at the registered office or principal office a record of the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

10.2 Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

10.3 Corporate Seal. The Board of Directors may adopt, use and thereafter alter a corporate seal.

10.4 Waiver of Notice. Whenever any notice is required to be given to any Member or Director under the provisions of the Act or under the provisions of the Articles of Incorporation, the Declaration or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice.

10.5 No Loans to Directors. No loans shall be made by the Association to its Directors.

ARTICLE ELEVEN INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

The Association shall indemnify any person who is or was a Director, Officer, agent or employee of the Association and any nominee or designee of the Association who is not or was not an Officer, agent or employee of the Association but who is or was serving at the Association's request as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust other enterprise or employee benefit plan, as provided in this Article Eleven.

11.1 Definitions. For purposes of this Article Eleven, the following terms shall have the following meanings:

(A) "Director" means any person who is or was a Director of the Association and any person who, while a Director of the Association, is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or

domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

- (B) "Expenses" include court costs and attorneys' fees.
- (C) "Official Capacity" means as follows:
 - (i) When used with respect to a Director, the office of Director in the Association; and
 - (ii) When used with respect to a person other than a Director, the elective or appointive office in the Association held by the Officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association; but
 - (iii) In both subsections (i) and (ii) above, Official Capacity does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(D) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

11.2 Persons. The Association shall indemnify, to the extent provided in Section 11.4, the following:

- (A) Any person who is or was a Director, Officer, employee or agent of the Association; and
- (B) Any person who is not or was not an Officer, employee or agent of the Association; but who is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

11.3 Standards. The following standards shall govern the indemnification provided by this Article Eleven:

- (A) The Association shall indemnify a person named in Section 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding because the person holds or has held a position named in Section 11.2

only if it is determined, in accordance with Section 11.5, that the person:

- (i) Conducted himself in good faith;
- (ii) Reasonably believed the following:
 - (a) In the case of conduct in his Official Capacity, that his conduct was in the Association's best interests; and
 - (b) In all other cases, that his conduct was at least not opposed to the Association's best interests; and
- (iii) In the case of any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

(B) Notwithstanding Subsection (A) of this Section 11.3, a person named in Section 11.2 shall not be indemnified for obligations resulting from a Proceeding as follows:

- (i) In which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's Official Capacity; or
- (ii) In which the person is found liable to the Association.

(C) The termination of a Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the requirements set forth in this Section 11.3. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

11.4 Extent. A person shall be indemnified under Section 11.3 against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable Expenses actually incurred by the person in connection with the Proceeding, but, if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding and shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association.

11.5 Determination That Standards Have Been Met. A determination that the standards of Section 11.3 have been satisfied must be made as follows:

(A) By a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(B) 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 (2) or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(C) By special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in Subsection (A) or Subsection (B) of this Section 11.5, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors; or

(D) By the Members in a vote that excludes the vote of Directors who are named defendants or respondents in the Proceeding.

11.6 Authorization of Indemnification; Determination as to Reasonableness of Expenses. The authorization of indemnification and the determination as to the reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, the authorization of indemnification and the determination as to the reasonableness of Expenses must be made in the manner specified by Subsection (C) of Section 11.5 for the selection of special legal counsel.

11.7 Mandatory Indemnification. Notwithstanding any other provision of this Article Eleven to the contrary, a person named in Section 11.2, by reason of his holding a position named in Section 11.2, shall be indemnified by the Association to the extent and under the circumstances as follows:

(A) To the extent of reasonable Expenses incurred by him in connection with a Proceeding in which he is a named defendant or respondent, because of his position, if he has been wholly successful, on the merits or otherwise, in the defense of the Proceeding;

(B) To the extent of the indemnification ordered by the court and the Expenses incurred in securing indemnification, as awarded by the court, if, in a suit for the indemnification required by Subsection (A) of this Section 11.7, a court of competent jurisdiction determines that the person is entitled to indemnification under Subsection (A) of this Section 11.7 and orders indemnification; and

(C) To the extent of the indemnification which may be ordered by a court of competent jurisdiction (which it determines is proper and equitable), if, upon the application of a person named in Section 11.2, the court determines, after giving any notice the court considers necessary, that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the person has met the requirements set forth in Subsection (A) of Section 11.3 or has been found liable in the circumstances described in Subsection (B) of Section 11.3; provided, however, that the indemnification ordered by the court shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding if the person is found liable by the Association, on the basis that personal benefit was improperly received by him.

11.8 Advance Payment. Reasonable Expenses incurred by a person named in Section 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Association in advance of the final disposition of the Proceeding after the Association receives a written affirmation by the person of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article Eleven and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if it is ultimately determined that the he has not met that standard. The written undertaking must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

11.9 Reimbursement of Other Expenses. Notwithstanding any other provision of this Article Eleven, the Association shall pay or reimburse Expenses incurred by a person named in Section 11.2, by reason of his holding a position named in Section 11.2, in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

11.10 Insurance. The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in Section 11.2 against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against that liability under this Article Eleven.

11.11 Reports. Any indemnification of or advance of Expenses to a person in accordance with this Article Eleven shall be reported in writing to the Members with or before the notice or waiver of notice of the next meeting of the Members and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE TWELVE SURETY BONDS

If the Board of Directors so directs, Officers and agents of the Association shall be bonded for the faithful performance of their duties and for the restoration to the Association of, in case of their death, resignation, retirement, disqualification or removal from office, all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Association, in the amounts and by the surety companies that the Board of Directors may determine. The premiums on the bonds shall be paid by the Association and the bonds so furnished shall be in the custody of the Secretary.

ARTICLE THIRTEEN AMENDMENTS AND INTERPRETATION

13.1 Amendments. The power to alter, amend or repeal these Bylaws, or to adopt new Bylaws, shall be vested in the Members, who may exercise the power at any annual meeting of the Members or at any special meeting of the Members called for that purpose, at which a quorum is present or represented upon the approval of a majority of the votes present or represented at the meeting. The Members may delegate the power to alter, amend or repeal these Bylaws, and to adopt new Bylaws, to the Board of Directors. Notwithstanding the above, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

13.2 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

13.3 Severability. If any provision contained in these Bylaws shall be invalid, which invalidity shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, the invalidity shall in no way effect any of the other provisions of these Bylaws, each of which shall remain in full force and effect.

ARTICLE FOURTEEN NON-PROFIT CORPORATION

The Association is a Non-Profit Corporation which has been organized and shall be operated solely and exclusively for the purposes that are specified in its Articles of Incorporation. No part of the Association's property or earnings shall ever inure (other than by acquiring, constructing or providing management, maintenance and care of Association property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Member, Director, Officer or employee of the Association. The Association shall not pay or distribute

any dividends or other income to its Members, Directors or Officers. No Member, Director, Officer or employee shall ever receive or be lawfully entitled to receive any profit from the operations of the Association. Nothing herein shall prevent the payment to its Members, Directors and Officers of reasonable compensation for services rendered and the reimbursement to its Members, Directors and Officers of reasonable expenses that are incurred in connection with the Association's affairs.

The foregoing set of Bylaws was unanimously adopted as the Bylaws of Windmill Farms Association, Inc. by the Board of Directors as of August 2, 2001.



JAMES A. SIEPIELA
DIRECTOR



GREGORY L. RICH
DIRECTOR



J. RANDALL BARNETT
DIRECTOR

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Filed for Record in: Kaufman County
On: Aug 11, 2005 at 02:20P

Filed for Record in:
Kaufman County

On: Aug 11, 2005 at 02:20P

As a
Recordings

Document Number: 00016873

Amount 52.00

Receipt Number - 36302

By:
nancy Dickerson

STATE OF TEXAS COUNTY OF KAUFMAN
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:

Kaufman County

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.

Aug 11, 2005

Honorable Laura Hushes, County Clerk
Kaufman County

20/52

Doc 00016874 Bk DR

Vol 2698

Ps 343

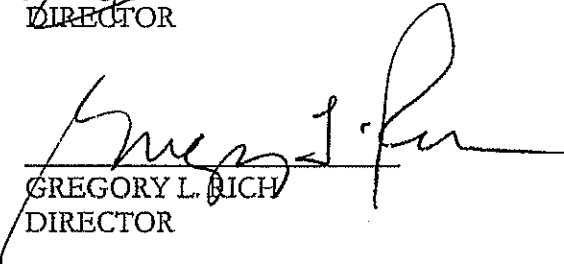
**CERTIFICATE OF ADOPTION OF BYLAWS OF
WINDMILL FARMS ASSOCIATION PHASE I, INC.**

The undersigned, as members of the Board of Directors of Windmill Farms Association Phase I, Inc., a non-profit corporation organized under the Texas Non-Profit Corporation Act (the "Corporation"), being all of the members of the Board of Directors of the Corporation as presently constituted, hereby certify that attached hereto as Exhibit A, is a true and correct copy of the original Bylaws of the Corporation ("Bylaws") that were duly adopted by the unanimous written consent of the Board of Directors without a meeting on August 2, 2001, and that the Bylaws have not been amended, modified or repealed in any respect.

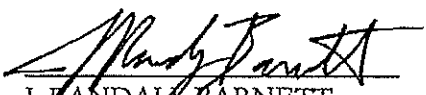
IN WITNESS WHEREOF, the undersigned has executed this Certificate as directors on behalf of the Corporation as of this 26th day of July, 2005.



JAMES A. STEDIELA
DIRECTOR



GREGORY L. RICH
DIRECTOR



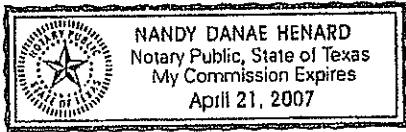
J. RANDALL BARNETT
DIRECTOR

After recording, please return to:
Bruce Bringardner
700 North Pearl St., 25th Floor
Dallas, Texas 75201

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME on this 26 day of July, 2005, personally appeared James A. Siepiela, Director of Windmill Farms Association Phase I, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:

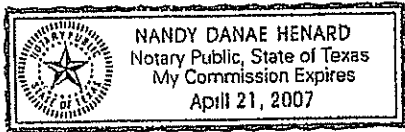


Nandy Danae Henard
Notary Public - State of Texas
Nandy Danae Henard
(Printed name)

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME on this 26 day of July, 2005, personally appeared Gregory L. Rich, Director of Windmill Farms Association Phase I, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:

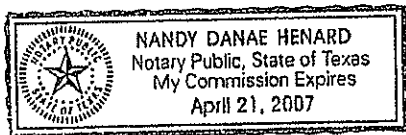


Nandy Danae Henard
Notary Public - State of Texas
Nandy Danae Henard
(Printed name)

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME on this 26 day of July, 2005, personally appeared J. Randall Barnett, Director of Windmill Farms Association Phase I, Inc., and acknowledged to me that he executed the same for the purposes therein expressed.

NOTARY INSIGNIA:



Nandy Danae Henard
Notary Public - State of Texas
Nandy Danae Henard
(Printed name)

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OR

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2698

Ps
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EXHIBIT A
BYLAWS

BYLAWS

OF

WINDMILL FARMS ASSOCIATION PHASE 1, INC.

These Bylaws of Windmill Farms Association Phase 1, Inc. (the "Bylaws") govern the affairs of Windmill Farms Association Phase 1, Inc., a non-profit corporation (the "Association") that was organized under the Texas Non-Profit Corporation Act (the "Act").

ARTICLE ONE OFFICES

1.1 Principal Office. The principal office of the Association in the State of Texas shall be located at 5001 LBJ Freeway, Suite 830 in Dallas, Dallas County, Texas. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Board of Directors may change the location of any office of the Association.

1.2 Registered Office and Registered Agent. The Association shall have and continuously maintain in the State of Texas a Registered Office and a Registered Agent as required by the Act. The Registered Office may be, but need not be, the same as the principal office of the Association. The Registered Office or the Registered Agent, or both, may be changed from time to time by the Board of Directors.

ARTICLE TWO DEFINITIONS

The terms that are defined in that certain Master Declaration of Covenants, Conditions and Restrictions for Windmill Farms, Phase 1 that was recorded in Book 1738, Pages 171-199 of the Real Property Records of Kaufman County, Texas (the "Declaration"), as the Declaration may be amended, changed or modified from time to time, shall have the same meanings in these Bylaws.

ARTICLE THREE MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Each person or legal entity who owns a fee or undivided fee interest in a Lot, tract or parcel of land which is a part of the Property,

including homebuilders and contract sellers, shall be a Member of the Association. Persons or entities who hold an interest in a Lot merely as security for the performance of an obligation shall not be a Member of the Association; provided, however, that the purchaser at a foreclosure sale or trustee's sale shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot which is a part of the Property.

3.2 Classes of Members. The Association shall have the following two (2) classes of voting membership to be designated, respectively, as Class A and Class B:

(A) Class A: The Class A Members shall be all Lot owners, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When two (2) or more persons or entities own undivided interests in any Lot, all such persons and entities shall be Class A Members of the Association, but the vote for that Lot shall be exercised as the owners of the Lot shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(B) Class B: The Class B Member shall be the Declarant, which shall be entitled to ten (10) votes for each Lot that it owns. The Declarant shall have Class B Membership status until December 31, 2021. Thereafter, the Class B Member shall be entitled to one (1) vote for each Lot owned by it.

**ARTICLE FOUR
MEETINGS OF MEMBERS**

4.1 Annual Meetings. An annual meeting of the Members shall be held on the second Monday of March in each year, beginning in the year 2002, at the hour of 8:00 o'clock P.M., for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, the meeting shall be held on the next succeeding regular business day. If the election of Directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

4.2 Special Meetings. Special meetings of the Members may be called by the President, the Board of Directors or upon written request of Members having not less than one-tenth (1/10th) of the votes of the Members of the Association entitled to be cast at that meeting.

4.3 Place of Meetings. The Board of Directors may designate any place as the place of meeting for any annual meeting and for any special meeting that is called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Association; provided, however, that in the event that all of the Members shall meet at any time and place and consent to the holding of a meeting, the meeting shall be valid without call or notice and any corporate action may be taken at that meeting.

4.4. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered, either personally or by mail, 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, by or at the direction of the President, the Secretary or the Officers or persons calling the meeting. In case of a special meeting, the purpose or purposes for which the meeting is called shall also be stated in the notice. If personally delivered, the notice of a meeting shall be deemed to be delivered when actually received by the recipient thereof. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested and addressed to the Member at his address as it appears on the books of the Association.

4.5. Quorum and Manner of Action. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, Twenty Percent (20%) of all the votes of the Members shall constitute a quorum. If a quorum is not present or represented at any meeting of Members, Members holding a majority of the votes present or represented at the meeting may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At a reconvened meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. When a quorum is present or represented at any meeting, the vote of the majority of the votes entitled to be cast by the Members present or represented at the meeting shall be required to decide any question brought before the meeting, unless the question is one upon which a different vote is required by express provision of the Act.

4.6. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Any proxy shall automatically terminate upon conveyance by the Member of his Lot.

4.7 Conduct of Meeting. At every meeting of the Members, the President, or in his absence, the Vice President, shall act as Chairman. The

Secretary of the Association, or in his absence, any person appointed by the Chairman, shall act as Secretary at all meetings of the Members.

4.8 Action Without Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the Members entitled to vote with respect to the subject matter thereof.

ARTICLE FIVE BOARD OF DIRECTORS

5.1 General and Election. The affairs of the Association shall be managed by its Board of Directors. Except as provided in Section 5.2 of these Bylaws, the Directors shall be elected by the Members, which election may be conducted by mail. Directors do not have to be residents of the State of Texas or Members of the Association.

5.2 Number and Tenure. The Board of Directors shall consist of three (3) Directors. The Directors shall be selected by the Declarant until December 31, 2021. After December 31, 2021, the Members shall elect three (3) Directors for a term of two (2) years each, which Directors shall be elected in staggered terms and shall serve until their successors have been elected and qualified.

5.3 Removal. A Director may be removed from the Board of Directors, with or without cause, by the vote of the majority of the votes entitled to be cast by the Members of the Association.

5.4 Vacancies. Prior to January 1, 2022, any vacancy occurring on the Board of Directors shall be filled by the Declarant. After December 31, 2021, any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of the Members or at a special meeting of the Members called for that purpose.

5.5 Regular Meetings. Regular meetings of the Board of Directors shall be held at the times and at the places as shall be fixed from time to time by resolution of the Board of Directors. In the event that the date of any meeting falls upon a legal holiday, then that meeting shall be held at the same time on the next business day which is not a legal holiday.

5.6 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any Director. The person authorized to call special meetings of the Board of Directors may fix any place as the place for holding the special meeting of the Board of Directors called by him.

5.7 Notice. Notice of any special meeting of the Board of Directors shall be given at least three (3) days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

5.8 Quorum and Manner of Action. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

5.9 Compensation. No Director shall receive compensation for serving as Director. Each Director shall be reimbursed for his actual expenses incurred in the performance of his duties.

5.10 Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors.

ARTICLE SIX POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Generally. The Board of Directors shall have the powers and duties that are necessary for the performance and administration of the purposes of the Association as set forth in the Articles of Incorporation.

6.2 Powers. In addition to any powers granted to the Board of Directors by the Declaration, the Articles of Incorporation or the other provisions of these Bylaws, the powers of the Board of Directors shall include, but shall not be limited to, the following:

(A) To establish and publish uniform rules and regulations that may be deemed by the Board of Directors to be reasonable in connection with the use,

occupancy and maintenance of the Common Areas including, without limitation, rules governing the delegation of the rights of an owner in and to the Common Areas and facilities to others, and to alter, amend or modify those rules and regulations from time to time;

(B) To suspend voting rights, the right to the use of the Common Areas, impose fines and otherwise enforce the provisions of the Declaration, and seek damages and/or equitable relief or other remedial action for violations of the terms of the Declaration, the Articles of Incorporation, these Bylaws or the rules and regulations of the Association in accordance with the procedures set forth in the Declaration;

(C) To levy annual assessments and special assessments upon the owners of the Lots, to charge interest on past-due assessments, and to establish and maintain maintenance funds, all in accordance with the terms of the Declaration, and to enforce liens for payment of assessments in accordance with the procedures set forth in the Declaration;

(D) To declare the office of a member of the Board of Directors to be vacant in the event that that member shall be absent from two (2) consecutive regular meetings of the Board of Directors;

(E) To employ the services of a Manager, and to delegate any of the powers, duties or functions of the Board of Directors to the Manager, and to employ any other persons that the Board of Directors shall from time to time determine to be necessary or proper to the daily management, operation and maintenance of the Common Areas;

(F) To enter into contracts on behalf of the Association with utility companies with respect to utility installation, consumption and service matters;

(G) To borrow funds on behalf of the Association to pay any costs of operation, secured by assignment or pledge of rights against owners for current, delinquent and/or future assessments, that the Board of Directors may determine, in its sole judgment and discretion, to be necessary and appropriate;

(H) To enter into contracts on behalf of the Association for goods and services or other Association purposes, provide services it deems proper, maintain one or more bank accounts, and generally to have all the powers necessary or incidental that may be required for prudent operation and management of the Association;

(I) To sue or to defend in any court of law on behalf of the Association;

(J) To exercise those powers which the Board of Directors deems

appropriate and proper in fulfilling its obligations and responsibilities under the terms of the Declaration or these Bylaws or which, in its reasonable opinion, shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration; and

(K) To exercise for and on behalf of the Association all powers, duties and authority vested in or delegated to the Association not otherwise reserved to the Membership by the provisions of these Bylaws, the Articles of Incorporation or the Declaration.

6.3 Duties. The duties of the Board of Directors shall include, but shall not be limited to, the following:

(A) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;

(B) To maintain or cause to be maintained detailed books of account for the business and affairs of the Association;

(C) To elect, appoint and/or hire and supervise all Officers, agents and employees of the Association;

(D) To levy and enforce the assessments and lien for assessments and other remedial measures provided in the Declaration;

(E) To issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(F) To pay or cause to be paid all taxes and assessments of whatever type duly assessed against all or any portion of the Common Areas or the Association which are not separately assessed to the owners;

(G) To procure and maintain adequate general liability insurance and liability and hazard insurance on property that is owned by the Association;

(H) To cause Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(I) To maintain or provide for the maintenance of the Common Areas and other areas of the Property required to be maintained by the Association; and

(J) To perform all other duties required of the Association not otherwise required to be performed by the Members, by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

ARTICLE SEVEN OFFICERS

7.1 Officers. The Officers of the Association shall consist of a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other Officers as may be elected in accordance with the provisions of this Article Seven. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

7.2 Election and Term of Office. The Officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, the election shall be held as soon as practicable thereafter. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and qualified.

7.3 Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. The removal of an Officer shall be without prejudice to the contract rights, if any, of the Officer so removed.

7.4 Vacancies. A vacancy in any office because of death, resignation, disqualification, removal or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

7.5 President. The President shall be the Chief Executive Officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, or without any other Officer of the Association if so authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other Officer. In general, the President shall perform all duties incident to the office of President and any other duties that may be prescribed by the Board of Directors from time to time.

7.6 Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President designated by the Board of Directors shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform any other duties that from time to time may be assigned to him by the President or the Board of Directors.

7.7 Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in the sum and with the surety or sureties that the Board of Directors shall determine. He shall have custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all moneys in the name of the Association in the banks, trust companies or other depositories that shall be selected in accordance with these Bylaws; and, in general, perform all the duties incident to the office of Treasurer and any other duties that from time to time may be assigned to him by the President or by the Board of Directors.

7.8 Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws, the Declaration, or as required by the Act; be custodian of the records and of the seal of the Association, and affix the seal of the Association to documents, when directed by the Board of Directors; keep a register of the post office address of each Member which shall be furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of Secretary and any other duties that from time to time may be assigned to him by the President or by the Board of Directors.

ARTICLE EIGHT COMMITTEES

8.1 Architectural Control Committee. An Architectural Control Committee established by Windmill Farms Association, Inc. shall carry on the functions of the Architectural Control Committee in accordance with and subject to the terms and conditions of the Master Declaration. The Architectural Control Committee shall have the authority and perform the duties that are set forth in the Master Declaration. The Association shall not have a separate architectural control committee.

8.2 Other Committees. Other committees may be designated by a resolution adopted by the Board of Directors. Except as otherwise provided in such resolution, members of each committee shall be Members of the Association, and the President of the Association shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint members, whenever in their judgment the best interests of the Association shall be served by

such removal. Each member of a committee shall continue to serve until the next annual meeting of the Members of the Association and until his successor is appointed, unless the committee is sooner terminated, or unless the member be removed from the committee, or unless the member shall cease to qualify as a member. One member of each committee shall be appointed Chairman by the person or persons authorized to appoint the members thereof. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE NINE CONTRACTS, CHECKS, FUNDS AND GIFTS

9.1 Contracts and Documents. The Board of Directors may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument or other document in the name of and on behalf of the Association. The authority may be general or confined to specific instances.

9.2 Checks and Drafts. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by the Officer or Officers, agent or agents of the Association and in the manner that shall from time to time be determined by resolution of the Board of Directors.

9.3 Funds. All funds of the Association shall be deposited from time to time to the credit of the Association in the banks or other depositories that the Board of Directors may select.

9.4 Gifts. 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.

ARTICLE TEN MISCELLANEOUS

10.1 Books and Records. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, the Board of Directors and committees having any authority of the Board of Directors. The Association shall also keep at the registered office or principal office a record of the names and addresses of the Members entitled to

vote. All books and records of the Association may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

10.2 Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

10.3 Corporate Seal. The Board of Directors may adopt, use and thereafter alter a corporate seal.

10.4 Waiver of Notice. Whenever any notice is required to be given to any Member or Director under the provisions of the Act or under the provisions of the Articles of Incorporation, the Declaration or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice.

10.5 No Loans to Directors. No loans shall be made by the Association to its Directors.

ARTICLE ELEVEN INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

The Association shall indemnify any person who is or was a Director, Officer, agent or employee of the Association and any nominee or designee of the Association who is not or was not an Officer, agent or employee of the Association but who is or was serving at the Association's request as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust other enterprise or employee benefit plan, as provided in this Article Eleven.

11.1 Definitions. For purposes of this Article Eleven, the following terms shall have the following meanings:

(A) "Director" means any person who is or was a Director of the Association and any person who, while a Director of the Association, is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(B) "Expenses" include court costs and attorneys' fees.

(C) "Official Capacity" means as follows:

(i) When used with respect to a Director, the office of

Director in the Association; and

- (ii) When used with respect to a person other than a Director, the elective or appointive office in the Association held by the Officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association; but
- (iii) In both subsections (i) and (ii) above, Official Capacity does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(D) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

11.2 Persons. The Association shall indemnify, to the extent provided in Section 11.4, the following:

(A) Any person who is or was a Director, Officer, employee or agent of the Association; and

(B) Any person who is not or was not an Officer, employee or agent of the Association but who is or was serving at the request of the Association as a Director, Officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

11.3 Standards. The following standards shall govern the indemnification provided by this Article Eleven:

(A) The Association shall indemnify a person named in Section 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding because the person holds or has held a position named in Section 11.2 only if it is determined, in accordance with Section 11.5, that the person:

- (i) Conducted himself in good faith;
- (ii) Reasonably believed the following:
 - (a) In the case of conduct in his Official Capacity, that his conduct was in the

Association's best interests; and

- (b) In all other cases, that his conduct was at least not opposed to the Association's best interests; and
- (iii) In the case of any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

(B) Notwithstanding Subsection (A) of this Section 11.3, a person named in Section 11.2 shall not be indemnified for obligations resulting from a Proceeding as follows:

- (i) In which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's Official Capacity; or
- (ii) In which the person is found liable to the Association.

(C) The termination of a Proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the requirements set forth in this Section 11.3. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

11.4 Extent. A person shall be indemnified under Section 11.3 against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable Expenses actually incurred by the person in connection with the Proceeding, but, if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification shall be limited to reasonable Expenses actually incurred by the person in connection with the Proceeding and shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association.

11.5 Determination That Standards Have Been Met. A determination that the standards of Section 11.3 have been satisfied must be made as follows:

- (A) By a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the Proceeding;
- (B) 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 (2) or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(C) By special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in Subsection (A) or Subsection (B) of this Section 11.5, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors; or

(D) By the Members in a vote that excludes the vote of Directors who are named defendants or respondents in the Proceeding.

11.6 Authorization of Indemnification; Determination as to Reasonableness of Expenses. The authorization of indemnification and the determination as to the reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, the authorization of indemnification and the determination as to the reasonableness of Expenses must be made in the manner specified by Subsection (C) of Section 11.5 for the selection of special legal counsel.

11.7 Mandatory Indemnification. Notwithstanding any other provision of this Article Eleven to the contrary, a person named in Section 11.2, by reason of his holding a position named in Section 11.2, shall be indemnified by the Association to the extent and under the circumstances as follows:

(A) To the extent of reasonable Expenses incurred by him in connection with a Proceeding in which he is a named defendant or respondent, because of his position, if he has been wholly successful, on the merits or otherwise, in the defense of the Proceeding;

(B) To the extent of the indemnification ordered by the court and the Expenses incurred in securing indemnification, as awarded by the court, if, in a suit for the indemnification required by Subsection (A) of this Section 11.7, a court of competent jurisdiction determines that the person is entitled to indemnification under Subsection (A) of this Section 11.7 and orders indemnification; and

(C) To the extent of the indemnification which may be ordered by a court of competent jurisdiction (which it determines is proper and equitable), if, upon the application of a person named in Section 11.2, the court determines, after giving any notice the court considers necessary, that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the person has met the requirements set forth in Subsection (A) of Section 11.3 or has been found liable in the circumstances described in Subsection (B) of Section 11.3; provided, however, that the indemnification ordered by the court shall be limited to reasonable Expenses actually incurred by the person in connection with

the Proceeding if the person is found liable by the Association, on the basis that personal benefit was improperly received by him.

11.8 Advance Payment. Reasonable Expenses incurred by a person named in Section 11.2 who was, is or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Association in advance of the final disposition of the Proceeding after the Association receives a written affirmation by the person of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article Eleven and a written undertaking by or on behalf of the person to repay the amount paid or reimbursed if it is ultimately determined that the he has not met that standard. The written undertaking must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.

11.9 Reimbursement of Other Expenses. Notwithstanding any other provision of this Article Eleven, the Association shall pay or reimburse Expenses incurred by a person named in Section 11.2, by reason of his holding a position named in Section 11.2, in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

11.10 Insurance. The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in Section 11.2 against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against that liability under this Article Eleven.

11.11 Reports. Any indemnification of or advance of Expenses to a person in accordance with this Article Eleven shall be reported in writing to the Members with or before the notice or waiver of notice of the next meeting of the Members and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE TWELVE SURETY BONDS

If the Board of Directors so directs, Officers and agents of the Association shall be bonded for the faithful performance of their duties and for the restoration to the Association of, in case of their death, resignation, retirement, disqualification or removal from office, all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Association, in the amounts and by the surety companies that the Board of Directors may determine. The premiums on the bonds shall be paid by the Association and the bonds so furnished shall be in the custody of the Secretary.

ARTICLE THIRTEEN AMENDMENTS AND INTERPRETATION

13.1 Amendments. The power to alter, amend or repeal these Bylaws, or to adopt new Bylaws, shall be vested in the Members, who may exercise the power at any annual meeting of the Members or at any special meeting of the Members called for that purpose, at which a quorum is present or represented upon the approval of a majority of the votes present or represented at the meeting. The Members may delegate the power to alter, amend or repeal these Bylaws, and to adopt new Bylaws, to the Board of Directors. Notwithstanding the above, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B Membership.

13.2 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

13.3 Severability. If any provision contained in these Bylaws shall be invalid, which invalidity shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, the invalidity shall in no way effect any of the other provisions of these Bylaws, each of which shall remain in full force and effect.

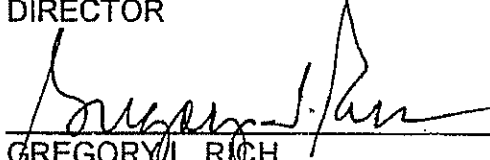
ARTICLE FOURTEEN NON-PROFIT CORPORATION

The Association is a Non-Profit Corporation which has been organized and shall be operated solely and exclusively for the purposes that are specified in its Articles of Incorporation. No part of the Association's property or earnings shall ever inure (other than by acquiring, constructing or providing management, maintenance and care of Association property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Member, Director, Officer or employee of the Association. The Association shall not pay or distribute any dividends or other income to its Members, Directors or Officers. No Member, Director, Officer or employee shall ever receive or be lawfully entitled to receive any profit from the operations of the Association. Nothing herein shall prevent the payment to its Members, Directors and Officers of reasonable compensation for services rendered and the reimbursement to its Members, Directors and Officers of reasonable expenses that are incurred in connection with the Association's affairs.

The foregoing set of Bylaws was unanimously adopted as the Bylaws of Windmill Farms Association Phase 1, Inc. by the Board of Directors as of August 2, 2001.



JAMES A. SEPIELA
DIRECTOR



GREGORY L. RICH
DIRECTOR



J. RANDALL BARNETT
DIRECTOR

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Filed for Record in: Kaufman County
On: Aug 11, 2005 at 02:20P

Filed for Record in:
Kaufman County

On: Aug 11, 2005 at 02:20P

As a
Recording

Document Number: 00016874

Amount 52.00

Receipt Number - 36302

By:
nancy Dickerson

STATE OF TEXAS COUNTY OF KAUFMAN

I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:

Kaufman County

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.

Aug 11, 2005

Honorable Laura Hushes, County Clerk
Kaufman County