

ADDITIONAL DEDICATORY INSTRUMENTS
for
SOUTHWYCK COMMUNITY ASSOCIATION, INC.

THE STATE OF TEXAS §

8

COUNTY OF BRAZORIA §

BEFORE ME, the undersigned authority, on this day personally appeared Kathy Dooley, who, being by me first duly sworn, states on oath the following:

"My name is **Kathy Dooley**, I am over twenty-one (21) years of age, of sound mind, capable of making this affidavit, authorized to make this affidavit, and personally acquainted with the facts herein stated:

"I am the Manager of **SOUTHWYCK COMMUNITY ASSOCIATION, INC.** Pursuant with Section 202.006 of the Texas Property Code, the following documents are copies of the original official documents from the Association's files:

- 1. Resolution Regarding Maintenance of Common Areas
- 2. Conflict of Interest Policy

DATED this 10 day of March, 2010.

SOUTHWYCK COMMUNITY ASSOCIATION, INC.

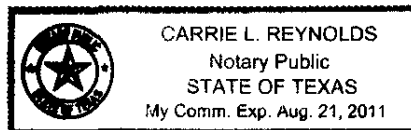
BY: Kathy Dooley
Kathy Dooley, Manager

SUBSCRIBED AND SWORN TO BEFORE ME by the said _____, on this the 11 day of MARCH, 2010.

Carrie L Reynolds
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

After recording return to:

DAUGHTRY & JORDAN, P.C.
17044 El Camino Real
Houston, Texas 77058 ✓



**SOUTHWYCK COMMUNITY ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY**

WHEREAS, Article 1396-2.02(15) of the Texas Non-Profit Corporation Act authorizes non-profit corporations to have and exercise all powers necessary or appropriate to effect any or all of the purposes for which the corporation is organized; and

WHEREAS, it is necessary to protect Southwyck Community Association, Inc.'s (hereinafter the "Association") tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

NOW THEREFORE, BE IT RESOLVED THAT, the following Conflict of Interest Policy has been adopted:

Article I
Definitions

1. **Interested Person:** Any director, principal officer or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an Interested Person.
2. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. an ownership or investment interest in any entity with which the Association has a transaction or arrangement,
 - b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article II, Section 2, a person who has a financial interest may have a conflict of interest only if the Board of Directors of the Association decides that a conflict exists.

Article II
Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Board of Directors of the Association, or other appointed committee or agent of the Association, considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An Interested Person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The presiding officer of the meeting shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the Board of Directors shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

a. If the Board of Directors has reasonable cause to believe a director has failed to disclose actual or possible conflicts of interest, it shall inform the director of the basis for such belief and afford the director the opportunity to explain the alleged failure to disclose.

b. If, after hearing the director's response and after making further investigation as warranted by the circumstances, the Board of Directors has determined that the director has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article III
Records of Proceedings.

The minutes of the Board of Directors meetings shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' decision as to whether a conflict of interest existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article IV **Compensation**

- a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that director's compensation.
- b. A voting member of the Board of Directors or of any duly appointed committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board of Directors, or of any duly appointed committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article V **Annual Statements**

Each director, principal officer and member of a duly appointed committee of the Association shall annually sign a statement which affirms such person:

- a. Has received a copy of the Conflicts of Interest Policy.
- b. Has read and understands the policy.
- c. Has agreed to comply with the policy, and
- d. Understands the Association is a nonprofit corporation and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VI **Periodic Reviews**

To ensure the Association operates in a manner consistent with its stated purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable

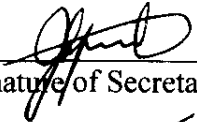
investment or payments for goods or services, further the Association's purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VI, the Association may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Adopted this 3rd day of September, 2009, by the Board of Directors of the Association.

SOUTHWYCK COMMUNITY
ASSOCIATION, INC.



Signature of Secretary

Print Name: John J. Fisher

**SOUTHWYCK COMMUNITY ASSOCIATION, INC. (Master Association)
RESOLUTION REGARDING MAINTENANCE OF COMMON AREAS**

WHEREAS, Article 1396-2.02(15) of the Texas Non-Profit Corporation Act authorizes non-profit corporations to have and exercise all powers necessary or appropriate to effect any or all of the purposes for which the corporation is organized; and

WHEREAS, Article VI, Section 1 of the Declaration of Covenants, Conditions and Restrictions for Southwyck (all sections), states, in pertinent part as follows:

The purposes of the Master Association are to provide maintenance and control of all General Common Areas of the property which include, without limitations, the perimeter fences around major streets, main esplanades and to provide for the maintenance, preservation and architectural control of the residential Lots concurrently with the Village Association and exclusively in regard to the General Common Areas. In the event of a conflict between the Village Association and the Master Association as to whether an amenity in the properties is a General Common Area, the decision of the Master shall prevail. General Common Areas include, without limitation, amenities that are intended to serve more than one subdivision....

NOW THEREFORE, BE IT RESOLVED THAT: the following policy regarding maintenance of common area by the Master Association is hereby adopted:

1. Entrances to Village Associations will be considered as part of the common areas under financial responsibility to maintain by the Master Association.
 - a. Master Association will include village entrances in its landscaping budget.
 - b. It is the intention of the Master Association to either directly pay or subsidize entrance landscaping. If subsidized to Village Association, Master Association reserves the right to limit budget.
 - c. Master Association agrees to maintain lighting of entrances and will work with Village Associations to add lighting where it currently does not exist to ensure uniform treatment across all of Southwyck.
2. The policy for Master Association maintenance of perimeter fencing will be as follows:
 - a. To qualify as a perimeter fence to be maintained by the Master Association, the fence must directly face a major street around the "perimeter" of a Village and be

visible from major street. Master Association Board of Directors has the authority to make the final decision regarding what constitutes a “perimeter” fence and is eligible for maintenance by the Master Association.

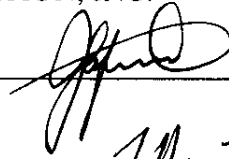
- b. Fencing within a Village does not qualify as a “perimeter” fence as it does not benefit more than one subdivision. Master Association Board of Directors will have final determination if fence meets test for upkeep by the Master Association.
 - c. A perimeter fence facing a major street that extends around a corner with similar type of fence will be maintained by the Master Association to the extent similar fencing exists. Master Board will have final determination if fence meets test for upkeep by the Master Association.
 - d. To the extent “new roadways” are created by county/municipality, fences will be upgraded in a similar way to closely match those of existing fences around major streets in Village to the best extent possible. The Master Association will work with Village Association(s) to upgrade any entrances created by new “major streets”. Master Association will work concurrently with Village Association(s) to ensure upgrades are done in a uniform manner.
 - e. Fences not qualifying for upkeep by the Master Association are the responsibility of the homeowners to maintain. Master and Village Associations will work concurrently with homeowners to ensure these fences are maintained in accordance with architectural control of residential lots.
 - f. Fence replacements/upgrades will be coordinated with Village Associations to ensure proper notifications to residents.
3. Landscaping of Perimeter areas.
- a. Master Association interprets agreement that any landscaping of common areas outside per miter fences around major streets not otherwise maintained by City/MUD resources will be maintained by the Master Association.
 - b. Landscaping includes mowing, tree trimming, and irrigation.
4. Master Association Parks
- a. Master Association takes full responsibilities to maintain the Pocket Park on Morgan Road and the Lake Park located on Northfork/Shelby as common areas.
 - b. Responsibilities include landscaping, upkeep of facilities, as well as pavilions, picnic areas, and playground equipment.

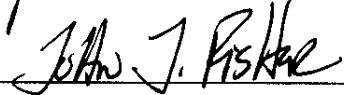
Adopted this 3RD day of September, 2009, by at least a majority of the Board of Directors of the Master Association.

SOUTHWYCK COMMUNITY
ASSOCIATION, INC.

Secretary

Print Name:





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BRAZORIA COUNTY
JOYCE HUDMAN
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Fees \$44.00

