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NOTICE OF FILING OF DEDICATORY INSTRUMENTS  
FOR  
BILTMORE SWIM AND RACQUET CLUB RECREATION ASSOCIATION

ENVELOPE  
ATTACHED

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

THIS NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR BILTMORE SWIM AND RACQUET CLUB RECREATION ASSOCIATION (this "Notice") is made this 2nd day of June, 2001, by the Biltmore Swim and Racquet Club Recreation Association (the "Association").

WITNESSETH:

WHEREAS, Bass Development recorded that certain Declaration of Restrictions, Conditions and Covenants for Biltmore Swim and Racquet Club Phase Two & Three, an Addition to the City of Plano, Texas, at Volume 1915, Page 745 *et seq.* of the Deed Records of Collin County, Texas (the "Declaration"); and

WHEREAS, the Association is the property owners' association created by the Declarant to manage or regulate the planned development covered by the Declaration, which development is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Section 202.006 of the Texas Property Code provides that a property owners' association must file each dedicatory instrument governing the association that has not been previously recorded in the real property records of the county in which the planned development is located; and

WHEREAS, the Association desires to record the attached dedicatory instruments in the real property records of Collin County, Texas, pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instruments attached hereto as Exhibit "B" are true and correct copies of the originals and are hereby filed of record in the real property records of Collin County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this Notice to be executed by its duly authorized agent as of the date first above written.

BILTMORE SWIM AND RACQUET CLUB  
RECREATION ASSOCIATION

By: Ed Sandridge  
Its: PRESIDENT

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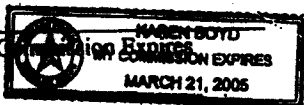
**ACKNOWLEDGMENT**

STATE OF TEXAS §  
  §  
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Ed  
Grubbs, President of Biltmore Swim and Racquet Club Recreation Association,  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged  
to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of  
said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 22 day of June, 2001.

Karen Boyd  
Notary Public  
State of Texas

My Commission Expires  
  
MARCH 21, 2005

AFTER RECORDING, RETURN TO:  
  
Lance E. Williams, Esq.  
Riddle & Williams, P.C.  
3811 Turtle Creek Blvd, Suite 1050  
Dallas, Texas 75219

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**EXHIBIT "A"**  
**PROPERTY DESCRIPTION**

A tract of land out of the S. A. & M.G.R.R. Survey, Abstract No. 878, and Benjamin Brewster Survey, Abstract No. 107, Collin County, Texas, known and designated as Biltmore Swim and Racquet Club, Phase Two and Tree, Additions to the City of Plano, Texas, according tot he Map or Plat recorded in Cabinet D, Page 148 (Phase Two) and in Cabinet D, Page 149 (Phase Three), Map Records, Collin County, Texas.

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**EXHIBIT "B"**

**DEDICATORY INSTRUMENTS**

1. **Bylaws [for] Biltmore Swim & Racquet Club Recreation Association, Inc.**
2. **Articles of Incorporation**
3. **Application of Payments Policy**

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**BYLAWS**

**BILTMORE SWIM & RACQUET CLUB  
RECREATION ASSOCIATION, INC.  
A NON-PROFIT CORPORATION**

**ARTICLE I  
OFFICES**

**1.01 Principal Office** The principal office of the corporation in the State of Texas shall be located in the City of Plano, County of Collin, State of Texas. The corporation 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 corporation may require from time to time.

**1.02 Registered Office and Registered Agent** The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II  
MEMBERS**

**2.01 Members** Every lot owner shall automatically be a Member of the Corporation.

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**2.02 Voting Rights** Members shall be entitled to one (1) vote for each lot in which they hold the interest required for membership. When more than one (1) person holds such interest or interests in any lot, all such persons shall be Members, and the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such lot. Only those Members having paid all assessments applicable to their respective lots on or before three (3) days prior to a meeting of Members shall be entitled to cast the vote applicable to said lot.

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**ARTICLE III  
MEETINGS OF MEMBERS**

**3.01 Annual Meetings** The first annual meeting of the Members shall be held within one (1) year from date of incorporation of the Recreation Association. Thereafter, annual meetings of the Members shall be held on the first (1st) day of February in each year, beginning with the year 1984, at the hour of seven o'clock (7:00) 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, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be 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.

**3.02 Special Meeting** Special meetings of the Members may be called by the President, the Board of Directors, or not less than one-tenth (1/10) of the Members having voting rights.

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**3.03 Place of Meeting** The Board of Directors may designate any place, within the County of Collin, State of Texas, as the place of meeting for any annual meeting or for any special meeting 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 registered office of the corporation in the State of Texas; but if all of the Members shall meet at any time and place, within the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

**3.04 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 such meeting, or less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these bylaws, the purposes or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the corporation, with postage thereon prepaid.

**3.05 Informal Action by Members** Any action required by law to be taken at a meeting of the Members or any action which may be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by fifty-one percent (51%) of the Members entitled to vote.

**3.06 Quorum** The Members holding in excess of one-half (1/2) of the votes which may be cast at any meeting shall

constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

3.07 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

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**ARTICLE IV  
BOARD OF DIRECTORS**

4.01 General Powers The affairs of the corporation shall be managed by its Board of Directors. Directors shall each be the owner of a lot or lots.

4.02 Number, Tenure, and Qualifications The number of directors shall be three (3). Each Director shall hold office for two (2) years and until his successor shall have been elected and qualified.

4.03 Regular Meetings Two (2) regular meetings of the Board of Directors shall be held without other notice than this bylaw on June 1 and December 15, of each year at the registered office of the corporation. The Board of Directors may provide by resolution the time and place, within the county of Collin, State of Texas, for the holding of additional regular meetings of the Board without other notice than such resolution.



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**4.04 Special Meetings** Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place, within the County of Collin, State of Texas, as the place for holding any special meetings of the Board called by them.

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**4.05 Notice** Notice of 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 or telegram to each Director at his address as shown by the records or the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any 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 because 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 need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

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**4.06 Quorum** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

**4.07 Manner of Acting** 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, unless the act of a greater number is required by law or by these bylaws.

**4.08 Vacancies** Any vacancy occurring in the Board of Directors, shall be filled by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

**4.09 Compensation** Directors as such shall not receive any fee or compensation for their services.

**4.10 Informal Action by Directors** Any action required by law to be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors.

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**ARTICLE V  
OFFICERS**

**5.01 Officers** The officers of the corporation shall be 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. 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.

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5.02 Election and Term of Office The officers of the corporation shall be elected annually by the Board of Directors at any regular meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. 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 shall have qualified.

5.03 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 corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

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

5.05 President The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the Members. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any 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 or by these bylaws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

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**5.06 Vice-President.** In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in order of their election) 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 such other duties as from time to time may be assigned to him by the President or Board of Directors.

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

**5.08 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 or as required by law; be custodian of the corporate records and of the seal of the corporation, and affix the seal of the corporation to all documents, the execution of which the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; keep a register of the post-office address of each

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Member, furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

5.09 Assistant Treasurers & Assistant Secretaries If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums as the Board of Directors shall determine. Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

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**ARTICLE VI  
CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

6.01 Contracts The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

6.02 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 corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

6.03 Deposits All funds of the corporation shall be deposited to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

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**6.04 Gifts** The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

**ARTICLE VII  
BOOKS AND RECORDS**

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

**ARTICLE VIII  
FISCAL YEAR**

**8.01 Fiscal Year** The fiscal year of the corporation shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December in the same year.

**ARTICLE IX  
ASSESSMENTS**

**9.01 Annual and Special Assessments** Annual and/or special assessments shall be in such amounts and shall be due and payable as set out in the Restrictions.

**ARTICLE X  
SEAL**

**10.01 Seal** The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the corporation.

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**ARTICLE XI  
WAIVER OF NOTICE**

11.01 Waiver of Notice Whenever any notice is required to be given under the provisions of Texas Non-Profit Corporation Act or under the provisions of the Restrictions, the articles of incorporation or the bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XII  
AMENDMENTS TO BYLAWS**

12.01 Amendments to Bylaws These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority of the Members present at any meeting, if at least twenty (20) days written notice is given to an intention to alter, amend, repeal or adopt new bylaws at such meeting.

**ARTICLE XIII  
DEFINITION OF TERMS**

13.01 Definition of Terms All terms herein shall have the same meanings as defined in the Declaration of Restrictions, Conditions and Covenants, Biltmore Swim & Racquet Club Phase One recorded at Volume 1537, Page 598, Instrument No. 25738, Deed Records of Collin County, Texas (herein called the "Restrictions").

08/14/01 THU 10:20 FAX 512 463 6643

TX Secretary of State

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ARTICLES OF INCORPORATION  
OF

BILTMORE SWIM & RACQUET CLUB RECREATION ASSOCIATION, INC.

FILED  
the Office of the  
of Texas  
APR 04 1983  
Clerk E  
Corporations Section

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We, the undersigned natural persons, at least two (2) of whom are citizens of the State of Texas, and who are of the age of eighteen (18) years or more, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

NAME

The name of the corporation is Biltmore Swim & Racquet Club Recreation Association, Inc..

ARTICLE TWO

NON-PROFIT CORPORATION

The corporation is a non-profit corporation.

ARTICLE THREE

PURPOSES AND POWERS

(1) The purposes for which this corporation is formed are as follows:

A. To form an Association (the "Association") and as such to establish and collect assessments from the members of said Association ("Members") for the purpose of maintaining, improving, and administering certain swimming pool, recreation facilities, and common areas, within the Biltmore Swim & Racquet Club Phase One Addition, Plano, Collin County, Texas (the "Addition");

B. To carry out the duties and obligations and receive the benefits given to the Recreation Association by the Declaration of Restrictions Conditions and Covenants applicable to defined areas in the Addition and amendments thereto recorded at Volume 1537, Page 598, Instrument Number 25738, filed in the Deed Records of Collin County, Texas, on the 4th day of August, 1982 (the "Declaration");

C. To establish By-Laws for the operation of the Association, to provide for the administration of the Association and rules and regulations for governing the same, and to enforce the provisions of the Declaration, these Articles of Incorporation and the By-Laws of the Association;

D. To have and exercise all the rights and powers conferred on non-profit corporations under the Texas Non-Profit Corporation Act, as such law is now in effect or may at any time hereafter be amended;

E. To do all other acts necessary or expedient for the administration of the affairs and attainment of the purposes of this corporation.



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(2) The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall, except where otherwise expressed, be in no way limited or restricted by any reference to or inference from the terms or provisions of any other clause, but shall be regarded as independent purposes and powers.

(3) Notwithstanding any of the foregoing statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation as set forth in Paragraph (1) (A), (B) and (C) of this Article Three, and nothing contained in the foregoing statement of purposes shall be construed to authorize this corporation to carry on any activity for the profit of its members, or to distribute any gains, profits, or dividends to its members as such, except on dissolution and winding up.

This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

ARTICLE FOUR

MEMBERS

(1) As set forth in the Declaration to be made applicable to the Recreation Association and the Addition, certain lot owners in the Addition shall automatically be members of the Association and their memberships shall automatically terminate upon the sale of all lots within the Addition owned by said Member. Membership certificates are not required and will not be issued.

(2) Each lot owner shall have one (1) vote in all elections of the Association. A corporation or individual owning an interest in more than one lot may be designated as the voting Member for each lot in which it or he owns an interest.

(3) The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his lot.

ARTICLE FIVE

DURATION

The period of its duration is perpetual.

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ARTICLE SIX

INITIAL REGISTERED AGENT

The street address of the initial registered office of the corporation is 2301 Ohio Drive, Suite 200, Plano, Texas 75075, and the name of the initial registered agent at such address is Norman R. Medlen.

ARTICLE SEVEN

INITIAL BOARD OF DIRECTORS

The number of directors constituting the initial board of directors of the corporation is three (3), and the names and addresses of the directors who are to serve as the initial board of directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Jerry D. Stiles	2301 Ohio Drive Suite 200 Plano, Texas 75075
Norman R. Medlen	2301 Ohio Drive Suite 200 Plano, Texas 75075
Walter A. Rowden	2301 Ohio Drive Suite 200 Plano, Texas 75075

ARTICLE EIGHT

INCORPORATORS

The names and addresses of the incorporators are:

<u>NAME</u>	<u>ADDRESS</u>
Jerry D. Stiles	2301 Ohio Drive Suite 200 Plano, Texas 75075
Norman R. Medlen	2301 Ohio Drive Suite 200 Plano, Texas 75075
Walter A. Rowden	2301 Ohio Drive Suite 200 Plano, Texas 75075

ARTICLE NINE

INDEMNIFICATION

(1) The corporation shall have the power to indemnify any director or officer or former director or officer of the corporation for expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of his being or having been such director or officer, except in relation to matters as to which he shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

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(2) If the corporation has not fully indemnified him, the court in the proceeding in which any claim against such director or officer has been asserted, or any court having the requisite jurisdiction of an action instituted by such director or officer on his claim for indemnity, may assess indemnity against the corporation, its receiver, or trustee, for the amount paid by such director or officer in satisfaction of any judgment or in compromise of any such claim (exclusive in either case of any amount paid to the corporation), and any expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection therewith to the extent that the court shall deem reasonable and equitable, provided, nevertheless, that indemnity may be assessed under this Article only if the court finds that the person indemnified was not guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

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IN WITNESS WHEREOF, we have hereunto set our hands this 20<sup>th</sup> day of February 1983.

Jerry D. Skiles  
 Jerry D. Skiles

Norman R. Medlen  
 Norman R. Medlen

Walter A. Rowden  
 Walter A. Rowden

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THE STATE OF TEXAS I

COUNTY OF COLLIN I

BEFORE ME, a Notary Public, on this day personally appeared JERRY D. STILES, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 20 day of February, 1983.

My Commission Expires: 2-10-84

M.B. Tidwell  
Notary Public in and for  
Collin County, Texas  
Print Name: M.B. Tidwell

THE STATE OF TEXAS I

COUNTY OF COLLIN I

BEFORE ME, a Notary Public, on this day personally appeared NORMAN R. MEDLEN, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 20 day of February, 1983.

My Commission Expires: 2-10-84

M.B. Tidwell  
Notary Public in and for  
Collin County, Texas  
Print Name: M.B. Tidwell

THE STATE OF TEXAS I

COUNTY OF COLLIN I

BEFORE ME, a Notary Public, on this day personally appeared WALTER A. ROWDEN, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 20 day of February, 1983.

My Commission Expires: 2-10-84

M.B. Tidwell  
Notary Public in and for  
Collin County, Texas  
Print Name: M.B. Tidwell

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**BILTMORE SWIM AND RACQUET CLUB RECREATION ASSOCIATION, INC.****Application of Payments Policy**

Whereas, Biltmore Swim and Racquet Club Recreation Association, Inc. (the "Association") has authority to levy and collect assessments against Owners of the Association; and

Whereas, the Board of Directors (the "board") finds there is a need to establish orderly procedures for the application of payments made by Owners to the Association for regular annual assessments, special assessments, and related charges such as interest, late charges and attorney's fees and costs, in order to facilitate the collection of delinquent assessments and to promote the uniform treatment of Owners in the collection of such assessments.

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

1. **Application of Funds Received.** All monies received by the Association by a owner will be applied to amounts outstanding to the extent of and in the following order [unless an Owner has placed a restrictive notation on the check or other form of payment or in correspondence accompanying the payment that a payment is to be applied in another specified manner]:
  - a. Next, to attorney's fees and related collection costs incurred by or on behalf of the Association
  - b. Next, to handling charges and returned check fees incurred by the Association;
  - c. Next, to late charges;
  - d. Next, to accrued interest;
  - e. Next, to delinquent special assessments;
  - f. Next, to delinquent regular annual assessments;
  - g. Next, to outstanding special assessments, though some may not then be delinquent;
  - h. Last, to outstanding regular annual assessments, though some may not then be delinquent.

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

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on Tuesday, May 8, 2001, and has not been modified, rescinded or revoked.

May 9, 2001  
Date

Alex Carson  
Secretary

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

SEP 24 2001

Helen Starnes



Filed for Record in:  
Collin County, McKinney TX  
Honorable Helen Starnes  
Collin County Clerk

On Sep 24 2001  
At 4:08pm

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