

of Directors, such instrument shall be signed by the Treasurer and countersigned by the President of the Association.

D. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the directors may select.

E. 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 purposes of the Association.

X.

BOOKS AND RECORDS

The Association 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 committees having any of the authority of the 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, it being understood that each member shall have an affirmative duty to inform the Association of his current address. 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.

XI.

ASSESSMENTS

A. The Association pursuant to the terms of the Declaration of Deed Restrictions shall have the right to charge each

lot owner (excluding Declarant and any builder who has purchased a lot for resale who has owned the lot for less than six months) maintenance fees and other assessments upon a pro rata, by-lot basis for actual expenses and reasonable administrative expenses incurred in maintaining, caring for, and improving the common areas, the planting easements, and the other areas over which the Association may exercise control, including the establishment and maintenance of a reserve for repair, maintenance, insurance, and other charges as deemed necessary to promote the purposes for which the Association is established.

B. Sixty days or more prior to the beginning of each calendar year, or at such other time as may be determined by the Board of Directors, the Board of Directors shall estimate the expenses to be paid during the next (or the applicable) calendar year, including a reasonable provision for establishing a reserve as above stated, with adjustments made for any expected income and surplus from the prior year's funds.

C. The assessment against each share in the Association (hereinafter called the "annual general assessment") shall be determined by dividing the total estimated amount determined by the Board of Directors to be required by the total number of shares against which assessments can be levied as of the date of the determination of the amount of the annual general assessment. Each such annual general assessment shall be due and payable no less than 30 days from the date notice of the amount of the assessment is given in accordance with the provisions of

Section IV.D hereof or on December 1 of the year prior to the commencement of the applicable calendar year, whichever date is later, and shall be considered as the annual general assessments for the calendar year for which the charges have been estimated.

D. When Declarant sells a lot, when the six-month exemption period ends for a builder who has purchased a lot for resale, or when such a builder sells a lot before the six-month exemption period has ended, the purchaser shall pay a prorated annual general assessment for the period from the date of purchase to the end of the applicable calendar year, which assessment shall be due on the date of purchase (or in the case of a builder who purchases a lot for resale, on the date the six-month exemption period expires).

E. For any calendar year or part thereof prior to the first full calendar year after the control of the corporation is turned over to the members by the initial Board of Directors, an estimation of expenses and income may be determined by the Board of Directors and the annual general assessment(s) may be assessed against each share according to the ratio set forth in Section XI.C above. Said annual general assessment(s) shall be due and payable within 30 days of the date notice of the amount of the assessment is given in accordance with the provisions of Section IV.D hereof.

F. Fees and assessments covering a specified time period may be prorated by a member who is selling or transferring a lot and by the person to whom said member is selling or transferring said lot, provided that all prorations shall be handled by and between said parties and not by the Association. No fees or

assessments shall be refunded by the Association. All fees or assessments levied upon a lot shall (if not paid when due) become a lien (in accordance with the terms of these Bylaws, the Articles, and the Declaration of Deed Restrictions) upon the applicable lot regardless of who owns the lot at the time the funds are due and at the time the lien attaches. A person acquiring an interest in a lot shall be charged with knowledge of the fact that such liens may attach after the lot has been transferred to the new owner and may take appropriate action to assure that the property is free of such potential liens.

G. If the Board of Directors determines that it is necessary, due to any unexpected repairs, costs or other general expenses, or for any other reason, the Board of Directors may declare a special assessment for additional amounts needed and may determine the due date for payment of said assessment.

H. The Board of Directors may levy reasonable assessment charges against any member whose lot requires maintenance and care if after ten days' written notice by personal delivery or by mail the member has failed to remedy any nuisance or eyesore and the Association undertakes to correct such nuisance or eyesore.

I. Any assessments which are not paid when due shall be delinquent. If an assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date

of delinquency at the rate of 10% per annum. If an assessment still remains unpaid after 45 days of the due date, the assessment shall constitute a lien upon the applicable property. The Association may bring an action at law against the member personally obligated to pay the assessment or other charge (i.e., the record owner on the date the assessment is due) or may foreclose the lien against the property with all interest, costs, and reasonable attorney's fees of such action to be added to the amount owed by said member.

J. The Board of Directors may take any other action allowed by law which is not inconsistent with the terms of the Declaration of Deed Restrictions or the Articles of Incorporation with reference to assessments or funds which may be collected by the Association.

XII.

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 Association and the words "Corporate Seal of Bent Creek Property Owners' Association."

XIII.

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the