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**NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
STEWART PENINSULA SOUTHSORE HOMEOWNERS ASSOCIATION, INC**

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

THIS NOTICE OF DEDICATORY INSTRUMENTS FOR Stewart Peninsula Southshore Homeowners Association (this "Notice") is made this 20th day of December, 1999, by Stewart Peninsula Southshore Homeowners Association (the "Association").

WITNESSETH:

WHEREAS, Stewart Peninsula Development Partners prepared and recorded an instrument entitled "Declaration of Covenants, Conditions & Restrictions" dated October 3, 1995, and recorded in File No. 085840 of the Deed Records of Denton 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 Denton County, Texas, pursuant to and 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 Denton 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.

ASSOCIATION: _____

a Texas corporation

By: Larry Clemens
Its: Vice President / Acting President

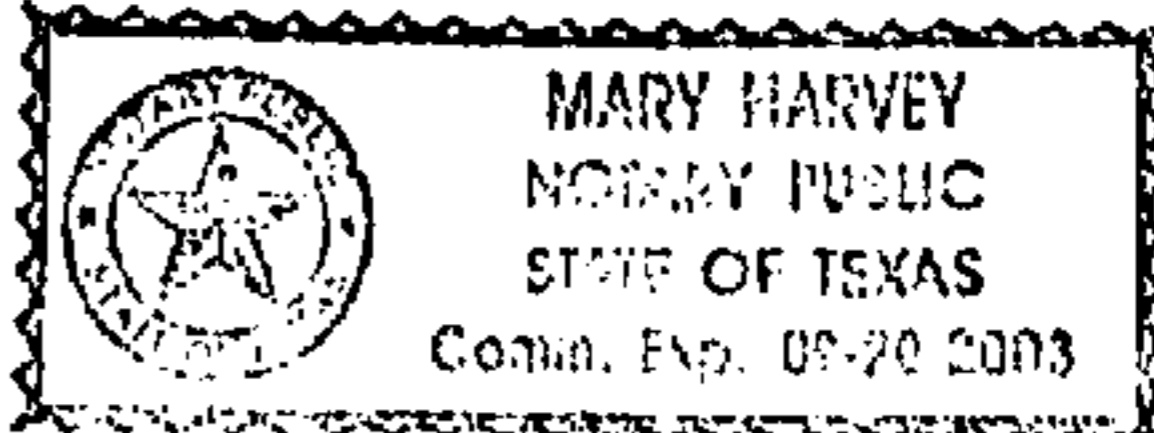
ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Larry Clemens Vice Pres. / Acting Pres. of Stewart Primrose Homeowners Assn. 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 5th day of December, 1999.
January, 2000.

Mary Harvey
Notary Public
State of Texas

My Commission Expires


STEWART PENINSULA SOUTHSHORE HOMEOWNERS ASSOCIATION, INC.

BYLAWS

ARTICLE I

DEFINITIONS

The following words when used in these bylaws shall have the following meanings, unless a different meaning or intent clearly appears from the context:

(a) "Association" shall mean and refer to the Stewart Peninsula Southshore Homeowners Association, Inc., a Texas non-profit corporation.

(b) "Board of Directors" or "Board" shall mean the governing body of the Association, elected pursuant to the Bylaws of the Association.

(c) "Common Properties" shall mean and refer to all real property (including leasehold estates, easements and improvements) now or hereafter owned or held by the Association for the common use and enjoyment of the Owners according to the terms of the Declaration.

(d) "Declaration" shall mean and refer to that certain Declaration of Covenants and Restrictions for Stewart Peninsula, Southshore applicable to the Properties and recorded as Document No. 085840 in the Real Estate Records of Denton County, Texas, and as the same may be amended or supplemented from time to time as therein provided.

(e) "Declarant" shall mean and refer to Stewart Peninsula Development Partners, a Texas general partnership, and its successors and assigns, if (a) such successor or assignee should acquire more than one (1) undeveloped Lot from Stewart Peninsula Development Partners for the purpose of development and (b) any such successor or assignee shall receive by assignment from Stewart Peninsula Development Partners all or a portion of its rights hereunder as the "Declarant" under the Declaration, by an instrument expressly assigning such rights as Declarant to such successor or assignee.

(f) "Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Properties which is designed and intended for use and

occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

(g) "Eligible Insurers" shall have the meaning ascribed to such term in Article VII of the Declaration.

(h) "Eligible Mortgagees" shall have the meaning ascribed to such term in Article VII of the Declaration.

(i) "Institutional Mortgage" shall mean a mortgage or deed of trust creating a first lien on a Lot which is held by a third party institutional lender.

(j) "Lot" shall mean, with respect to any Properties for which a subdivision map has been recorded in the map or plat records of Denton County, Texas, each lot shown on such recorded subdivision map which is or is to be improved with a residential dwelling. With respect to any Properties owned by Declarant which have not been legally subdivided by the recordation of a subdivision map, "Lot" shall mean each one of the maximum number of residential lots permitted within such Properties owned by Declarant according to the Planned Development Concept Plan for Stewart Peninsula dated April 18, 1994 and revised June 1, 1994 (the "Concept Plan") (each Lot defined in the immediately preceding sentence and owned by Declarant being hereinafter sometimes called an "Unplatted Lot").

(k) "Member" shall mean and refer to each Owner (including Declarant), subject to the rights of any Member being suspended in accordance with the terms of the Declaration.

(l) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure. Declarant shall be deemed an Owner of each Unplatted Lot.

(m) "Properties" shall mean and refer to all real property encumbered by the Declaration.

(n) "Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by an Owner to reside within such Owner's Dwelling Unit.

(o) "Two-Thirds Member Vote By Class" shall mean the approval of two-thirds (2/3) of each class of Members entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

(p) "Two-Thirds Member Vote" shall mean the approval of two-thirds (2/3) of all Members (regardless of class) entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

ARTICLE II

OFFICES

Section 2.01 Registered Office. The registered office of the Association shall be located at such place within the State of Texas as the Board may from time to time determine. The initial registered office of the Association shall be as specified in the Articles of Incorporation of the Association.

Section 2.02 Other Offices. The Association may also have offices at such other places, either within or without the State of Texas, as the Board may from time to time determine or as the business of the Association may require.

ARTICLE III

MEMBERSHIP- ASSESSMENTS

Section 3.01 Membership. Each and every Owner shall automatically be and must remain a Member of the Association, subject to the terms of the Declaration, the Articles of Incorporation, these Bylaws and the Association's rules and regulations. Membership of an Owner in the Association shall be appurtenant to and may not be separated from the interest of such Owner in and to a Lot. Ownership of a Lot shall be the sole qualification for being a Member; provided, however a Member's privileges in the Common Properties may be regulated or suspended as provided in the Declaration, the Articles of Incorporation, these Bylaws and/or the Association's rules and regulations. Any person or entity that holds an interest in and to a Lot merely as security for the performance of an obligation shall not be a Member until such time as the holder or its successor acquires title to the Lot through foreclosure or conveyance in lieu thereof.

Section 3.02 Transfer. Membership of an Owner in the Association may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of said Owner's interest in a Lot and then only to the purchaser or assignee as the new Owner thereof. Such membership shall not be severed by the encumbrance by an Owner of a Lot. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect. Change of membership in the Association shall be established only when the following have been accomplished:

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(a) An assignment or other instrument of transfer establishing a change in the record title to a Lot shall have been duly executed and recorded in the Real Estate Records of Denton County, Texas; and

(b) The Owner transferring a Lot shall have notified the Board of Directors of the Association in writing of the name and address of the transferee and identifying the Lot transferred, as well as such other information relative to the transfer and transferee as the Board of Directors may reasonably request. Such notice shall also contain an executed or certified copy of the instrument of transfer.

In the event an Owner should fail or refuse to provide written evidence of transfer of the membership in the Association registered in such Owner's name to the transferee of such Owner's interest in a Lot, the Association shall have the right to record the transfer upon the books and records of the Association.

Section 3.03 Classes of Membership: Voting Rights. The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one 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 vote be cast with respect to any such Lot.

CLASS B. The Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to three (3) votes for each Lot owned by the Class B Member(s). However, at such times as the total number of Lots owned by the Class A Members equals or exceeds three (3) times the total number of Lots owned by the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Lot owned by it. Unless Additional Property is subjected to the terms of the Declaration in accordance with the provisions of Section 2.4 thereof, from and after October 1, 1997 (as subsequently amended, the "Voting Conversion Date"), the Class B Member(s) shall only be entitled to one (1) vote for each Lot owned by it regardless of the number of Lots owned by the Class B Member(s) at such time. In the event Additional Properties are subjected to the Declaration, then the Supplemental Declaration annexing such Additional Properties shall designate a new Voting Conversion Date which shall be the date Declarant estimates that the Class A Members will own seventy-five percent (75%) of all Lots then subject to the Declaration, as supplemented by the Supplemental Declaration.

Section 3.04 Payment of Assessments. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Lot against which

such assessments are made as provided by Article IV of the Declaration (incorporated herein and made a part hereof for all purposes).

Section 3.05 Suspension of Use. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to the use of the Common Properties of such Member, his tenants, and each individual residing with either of them in the Lot owned by such Member, may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member, his tenants, and each individual residing with either of them in any improvements located on such Member's Lot, may also be suspended, after notice and hearing, for a period not to exceed 30 days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Properties, or for failure to meet any obligation imposed by the Declaration upon such Member, his tenants, or any individual residing with either of them.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each Member and Resident shall be entitled to the use and enjoyment of the Common Properties in accordance with and subject to the terms and conditions set forth in the Declaration, the Bylaws, and the rules and regulations adopted from time to time by the Board of Directors. The rights and privileges of any Resident are subject to suspension to the same extent as those of the Member. Any Member may also delegate the aforementioned rights of enjoyment to his guests, subject to any applicable rules and regulations that may be adopted from time to time by the Board of Directors.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number: Qualifications The affairs of this Association shall be managed by a Board of Directors. The Board of Directors of the Association shall consist of not less than 3 nor more than 7 members, the exact number to be fixed from time to time by a Two-Thirds Member Vote. The initial Board of Directors shall consist of 3 directors. Directors need not be residents of the State of Texas. It is not required that members of the Board of Directors be Members, Residents or Owners.

Section 2. Election: Term. The directors named in the Articles shall serve until the organization meeting of the Members. At the organization meeting, three directors shall be elected to serve for a term of 2 years. Thereafter, directors shall serve for a term of 1 year and until their respective successors are elected, or until their death, resignation or removal. The directors shall be elected at the annual meeting of the Members, except as provided in Section

3 immediately below, and each director elected shall hold office for the term for which he or she is elected and until his or her successor is elected and qualified.

Section 3. Death, Resignation and Removal; Filling Vacancies. Any director may resign at any time by giving written notice to the other directors, and any director may be removed from membership on the Board by a Two-Thirds Member Vote. Any vacancy in the Board shall be filled by the other directors, provided that the Members, acting at a meeting called within ten (10) days after the occurrence of the vacancy, may fill the vacancy by a Two-Thirds Member Vote.

Section 4. Compensation. Directors shall serve without pay unless expressly approved by a Two-Thirds Member Vote By Class. However, a director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Place of Meetings. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

Section 2. First Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by a Two-Thirds Member Vote at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, providing a quorum shall be present. In the event of the failure of the Members to fix the time and place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the Members, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meeting of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 3. Regular Meetings. Regular meetings of the Board of Directors (in addition to the first meeting provided in Section 2 above) may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the day so fixed be a legal holiday, then the meeting shall be held at the same time on the next day not a legal holiday.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the president and shall be called by the secretary on the written request of two directors of the Board. Written notice of special meetings of the Board of Directors shall be given to each director at least 3 days before the date of the meeting. 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.

Section 5. Quorum. A majority of the directors shall constitute a quorum for the transaction of business and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by the Articles. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or any committee may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all of the members of the Board or the committee, as the case may be, and such consent shall have the same force and effect as a unanimous vote at a meeting of the Board or the committee, as the case may be, duly called and held.

Section 7. Telephone Meetings. Directors and committee members may participate in and hold a meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the 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.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the Association shall be managed by its Board of Directors, which may exercise all such powers as are not by law, the Articles or the Bylaws directed or required to be exercised and done by the Members. The power and authority of the Board of Directors shall include, but shall not be limited to, all powers, duties and authority vested in or delegated to the Board of Directors in the Declaration.

Section 2. Limitation. The Board's powers and duties hereinabove enumerated shall be limited in that the Board shall not have the authority to do any act prohibited by the Declaration or do any act which, pursuant to the terms of the Declaration, requires the consent or approval of a certain number of Members or others until such time the required consent or approval is obtained.

ARTICLE VIII

COMMITTEES

The Board of Directors, by resolution adopted by a majority of the Board, may designate 2 or more Members of the Association to constitute special committees, which committees, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors within its field of responsibility except when the action of the Board of Directors is required by statute. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

ARTICLE IX

MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the Members shall be held at the offices of the Association, in Denton County Texas, or at such other location within or without the State of Texas as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meeting. A regular annual meeting of Members shall be held on the first Tuesday of November in each year commencing with the year 1995. The date of the annual meeting may be changed from time to time by the resolution duly adopted by the Board of Directors.

Section 3. Special Meetings. Special meetings of the Members shall be called by the secretary upon written request of (a) 2 Members of the Board of Directors, or (b) Members entitled to cast one-fourth of the votes in the Association.

Section 4. Notice. Written notice of the organization meeting, each annual meeting, and each special meeting of the Members, specifying the date, hour and place of the meeting, shall be delivered to each Member (and, upon request, to each Mortgagee, which shall be permitted to designate a representative to attend all such meetings) not less than 10 nor more than 50 days prior to the date fixed for said meeting. Notices of special meetings shall in addition specify the general nature of the business to be transacted at the meeting.

Section 5. Purposes. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

Section 6. Quorum. The presence at any meeting of Members entitled to cast a majority of the votes in the Association, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, the Members present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the Members in accordance

with the provisions of Section 4 of this Article X, and at that meeting the presence of Members entitled to cast one-third (1/3rd) of the votes in the Association shall constitute a quorum. If a quorum is not present at the second meeting, the Members present, though less than a quorum, may again adjourn the meeting to a later date and give notice thereof to all Members in accordance with the provisions of Section 4 of this Article X and at the third meeting whatever Members are present shall constitute a quorum.

Section 7. Majority Vote. The vote of Members entitled to cast a majority of the votes thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Declaration, the Articles, or these Bylaws.

Section 8. Voting Rights. Each Member may cast as many votes as he is entitled to exercise under the terms and provisions of the Articles on each matter submitted to a vote at a meeting of Members, except to the extent that the voting rights of any Member have been suspended in accordance with the Bylaws. Whenever there is more than one record Owner of a Lot, any or all of the record Owners may attend and vote at any meeting of the Members, but in no event shall more than one vote be cast with respect to any Lot. Cumulative voting is not permitted.

Section 9. Proxies. Any Member may attend and vote at any meeting of Members in person or by an agent duly appointed by an instrument in writing signed by the Member and filed with the Board of Directors. Whenever there is more than one recorded Owner of a Lot, any designation of an agent to act for such record owners must be signed by all such record Owners. Unless otherwise provided in writing, any designation of an agent to act for a Member may be revoked at any time by written notice to the Board and shall be deemed revoked when the Board shall receive actual notice of the death or judicially declared incompetency of such Member or the conveyance by such Member of his Lot. Upon the death of a Member, the legal representative of the Member's estate shall have the right to vote for that Member and the legally appointed guardian of a Member who has been judicially declared to be incompetent shall have the right to vote for the Member.

Section 10. List of Members. The officer or agent having charge of the corporate books shall make, at least 10 days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of 10 days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

Section 11. Record Date. The Board of Directors may fix in advance a date, not exceeding 50 days preceding the date of any meeting of Members, as a record date for the determination of the Members entitled to notice of, and to vote at, any such meeting, and any

adjournment thereof, and in such case such Members and only such Members as shall be Members of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, notwithstanding any change of membership on the books of the Association after any such record date fixed as aforesaid.

Section 12. Action Without Meeting. Any action required by the statutes 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 all Members entitled to vote with respect to the subject matter thereof.

ARTICLE X

NOTICES

Section 1. Delivery Any notice to a director or Member shall be in writing and delivered personally, by facsimile or by mail to the director or Member addressed to the director or Member at the address of his Lot, or at such other address as may be given in writing to the Board of Directors by the director or Member. Notice by mail shall be deemed to be given at the time when deposited in the United States mail addressed to the Member or directors, with postage thereon prepaid. Notices given in any other manner shall be deemed given only when actually received by the addressee.

Section 2. Waivers. Whenever any notice is required to be given to any Member or director by law, the Declaration, the Articles, or the Bylaws, 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 equivalent to the giving of such notice.

Section 3. Attendance at Meetings. Attendance of any Member or director at a meeting shall constitute a waiver of notice of such meeting, except when 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.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a president (who shall at all times be a member of the Board of Directors), a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointment The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

The President

The president shall be the chief executive officer of the Association, shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of business of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

The Vice Presidents

The vice presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. They shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

The Secretary and Assistant Secretaries

The secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all the proceedings of the meeting of the Association and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the

Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president under whose supervision he shall be.

The assistant secretaries in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. They shall perform such other duties and have such powers as the Board of Directors may from time to time prescribe.

The Treasurer and Assistant Treasurers

The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

The treasurer shall disburse the funds of the Association as may be authorized by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors at its regular meetings or when the Board of Directors so required an account of all his transactions as treasurer and of the financial condition of the Association.

If required by the Board of Directors, the treasurer shall, at the expense of the Association, give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Association, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

The assistant treasurers in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE XII

BOOKS AND RECORDS

The Declaration, the Articles, the Bylaws, and the books, records and financial statements of the Association shall at all times, upon request during normal business hours and under other reasonable circumstances, be subject to inspection by any Member. Copies of the Declaration, the Articles and the Bylaws of the Association may be purchased at reasonable cost at the principal office of the Association.

ARTICLE XIII

CORPORATE SEAL

The Board may, but shall not be obligated to, adopt a corporate seal for the Association. A corporate seal adopted by the Board shall have inscribed thereon the name of the Association, the year of its organization and the word "Texas." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

ARTICLE XIV

AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Members or directors, by a vote of the Members or directors, as the case may be, entitled to cast a majority of the votes of a quorum of the Members or directors present in person or by the Members present by proxy; provided, that no amendment shall be made which would cause these Bylaws to be in conflict with the terms or provisions of the Declaration.

ARTICLE XV

CONFLICTS

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

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

10L4536 PG2489

FILED
In the Office of the
Secretary of State of Texas

FEB 17 1995

Corporations Section

ARTICLES OF INCORPORATION
OF

STEWART PENINSULA SOUTHSORE HOMEOWNERS ASSOCIATION, INC.

The undersigned natural person, being at least eighteen (18) years of age, and acting solely as the incorporator of a corporation under the Texas Non-Profit Corporation Act (the "Act"), does hereby adopt the following Articles of Incorporation for a Texas non-profit corporation:

ARTICLE ONE

Definitions

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

(a) "Association" shall mean and refer to the Stewart Peninsula Southshore Homeowners Association, Inc., a Texas non-profit corporation, the corporation being incorporated hereunder.

(b) "Common Properties" shall mean and refer to all real property (including leasehold estates, easements and improvements) now or hereafter owned or held by the Association for the common use and enjoyment of the Owners according to the terms of the Declaration.

(c) "Declaration" shall mean and refer to that certain Declaration of Covenants and Restrictions for Stewart Peninsula, Southshore applicable to the Properties and recorded as Document No. 085840 in the Real Estate Records of Denton County, Texas, and as the same may be amended or supplemented from time to time as therein provided.

(d) "Declarant" shall mean and refer to Stewart Peninsula Development Partners, a Texas general partnership and its successors and assigns, if (a) such successor or assignee should acquire more than one (1) undeveloped Lot from Stewart Peninsula Development Partners for the purpose of development and (b) any such successor or assignee shall receive by assignment from Stewart Peninsula Development Partners all or a portion of its rights hereunder as the "Declarant" under the Declaration, by an instrument expressly assigning such rights as Declarant to such successor or assignee.

(e) "Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Properties which is designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

(f) Lot shall mean, with respect to any Properties for which a subdivision map has been recorded in the map or plat records of Denton County, Texas, each lot shown on such recorded subdivision map which is or is to be improved with a residential dwelling. With respect to any Properties owned by Declarant which have not been legally subdivided by the recordation of a subdivision map, "Lot" shall mean each one of the maximum number of residential lots permitted within such Properties owned by Declarant according to the Planned Development Concept Plan for Stewart Peninsula dated April 18, 1994 and revised June 1, 1994 (the "Concept Plan") (each Lot defined in the immediately preceding sentence and owned by Declarant being hereinafter sometimes called an "Unplatted Lot").

(g) "Member" shall mean and refer to each Owner (including Declarant), subject to the rights of any Member being suspended in accordance with the terms of the Declaration.

(h) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure. Declarant shall be deemed an Owner of each Unplatted Lot.

(i) "Properties" shall mean and refer to all real property encumbered by the Declaration.

(j) "Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by an Owner to reside within such Owner's Dwelling Unit.

ARTICLE TWO

Name

The name of the Association is Stewart Peninsula Southshore Homeowners Association, Inc.

ARTICLE THREE

Term

The period of duration of the Association is perpetual.

ARTICLE FOUR

Non-Profit Status; Purposes and Powers

The Association is a Texas non-profit corporation, shall not authorize or issue capital stock, and does not contemplate the distribution of income or dividends to the Members hereof. The specific purposes for which Association is formed are to provide a governing body for maintaining and administering the Common Properties, collecting and disbursing assessments and charges pursuant to the Declaration and administering and enforcing the covenants contained in the Declaration. In furtherance of such specific purposes, the Association shall the powers expressly contemplated by the Declaration and the corporate powers granted in the Act.

ARTICLE FIVE

Initial Registered Office; Registered Agent

The initial registered office of the Association is 9201 Westwind Court, Dallas, Texas 75231, and the name of its initial registered agent at such address is Don S. Jackson.

ARTICLE SIX

Directors

The business and affairs of the Association shall be managed by a Board of Directors consisting of the number of directors determined from time to time as provided in the Bylaws of the Association. The number of directors may be changed by amendment of the Bylaws of the Association, but shall in no event be less than three (3). The initial Board of Directors of the Association shall consist of three (3) directors. Directors shall be elected by the Members in the manner determined by the Bylaws, and may be removed and vacancies on the Board of Directors shall be filled in the manner provided for in the Bylaws.

The names and addresses of the persons who are to act initially in the capacity of directors until the selection of their successors are:

Rudolf Sieber

16, route de Crédey
Case Postale
CH-1242 Satigny
Geneva, Switzerland

William R. Nichols

4809 Cole Avenue, Suite 145
LB #123
Dallas, Texas 75205

Don S. Jackson

9201 Westwind Court
Dallas, Texas 75231

ARTICLE SEVEN

Incorporator

The name and street address of the sole incorporator is:

Don S. Jackson

9201 Westwind Court
Dallas, Texas 75231

ARTICLE EIGHT

Members

Every person or entity who is now or hereafter becomes an Owner shall automatically be a Member of the Association, and membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot, subject to the rights of a Member being suspended pursuant to the terms of the Declaration. Change of membership in the Association shall be established only when the following have been accomplished:

(a) An assignment or other instrument of transfer establishing a change in the record title to a Lot shall have been duly executed and recorded in the Real Estate Records of Denton County, Texas; and

(b) The Owner transferring a Lot shall have notified the Board of Directors of the Association in writing of the name and address of the transferee and identifying the Lot transferred, as well as such other information relative to the transfer and transferee as the Board of Directors may reasonably request. Such notice shall also contain an executed or certified copy of the instrument of transfer.

*The interest and proportionate share of each Member in the Association shall not be assigned, hypothecated or transferred in any manner whatsoever except as an appurtenance to a Lot or Dwelling Unit.

ARTICLE NINE

Voting Rights of Members

The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Members other than Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one 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 vote be cast with respect to any such Lot.

CLASS B. The Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to three (3) votes for each Lot owned by the Class B Member(s). However, at such times as the total number of Lots owned by the Class A Members equals or exceeds three (3) times the total number of Lots owned by the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Lot owned by the Class B Member(s). Unless Additional Property (as defined in the Declaration) is subjected to the terms of the Declaration, from and after October 1, 1997 (the "Voting Conversion Date"), the Class B Member(s) shall only be entitled to one (1) vote for each Lot owned by it regardless of the number of Lots owned by the Class B Member(s) at such time. In the event Additional Properties are subjected to the Declaration, then the Supplemental Declaration annexing such Additional Properties shall designate a new Voting Conversion Date which shall be the date Declarant estimates that the Class A Members will own seventy-five percent (75%) of all Lots then subject to this Declaration, as supplemented by such Supplemental Declaration.

ARTICLE TEN

Merger and Consolidation

To the extent permitted by law, the Association may participate in mergers and consolidations only with other non-profit corporations organized for the same general purpose as the Association.

ARTICLE ELEVEN

Indemnification of Directors and Others

The members of the Board of Directors and officers of the Association shall not be personally liable to the Association, Members or others for any mistake of judgment or for any acts or omissions made in good faith acting as such Board members or officers individually or collectively. Each member of the Board of Directors and each officer shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, or any settlement thereof, by reason of his being or having been a member of the Board of Directors or an officer of the Association, whether or not he is a member of the Board of Directors or an officer at the time such expenses are incurred, except


in such cases where the member of the Board of Directors or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE TWELVE

Amendments

Amendment of these Articles shall require the assent by a Two-Thirds Members Vote; provided, that no amendment shall be made which would cause these Articles to be in conflict with the terms or provisions of the Declaration or which would change the status and purpose of the Association as a non-profit corporation.

EXECUTED as of the 10th day of February, 1995.



Don S. Jackson, Incorporator

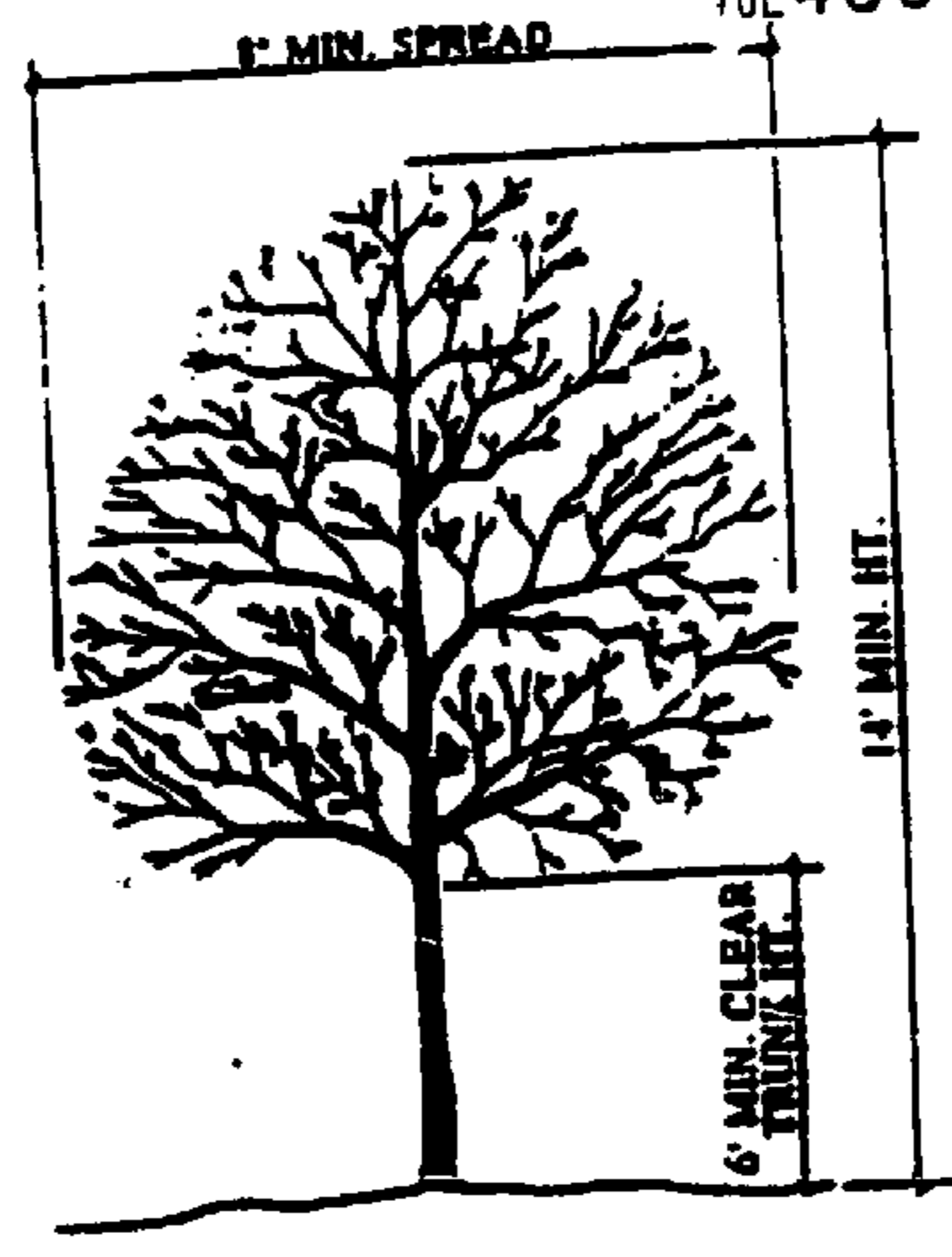
DISCLAIMER

I, the undersigned, being the incorporator of Stewart Peninsula Southshore Homeowners Association, Inc., a Texas Non-Profit Corporation filed with the Secretary of State of the State of Texas, do hereby disclaim any and all interests in said corporation.

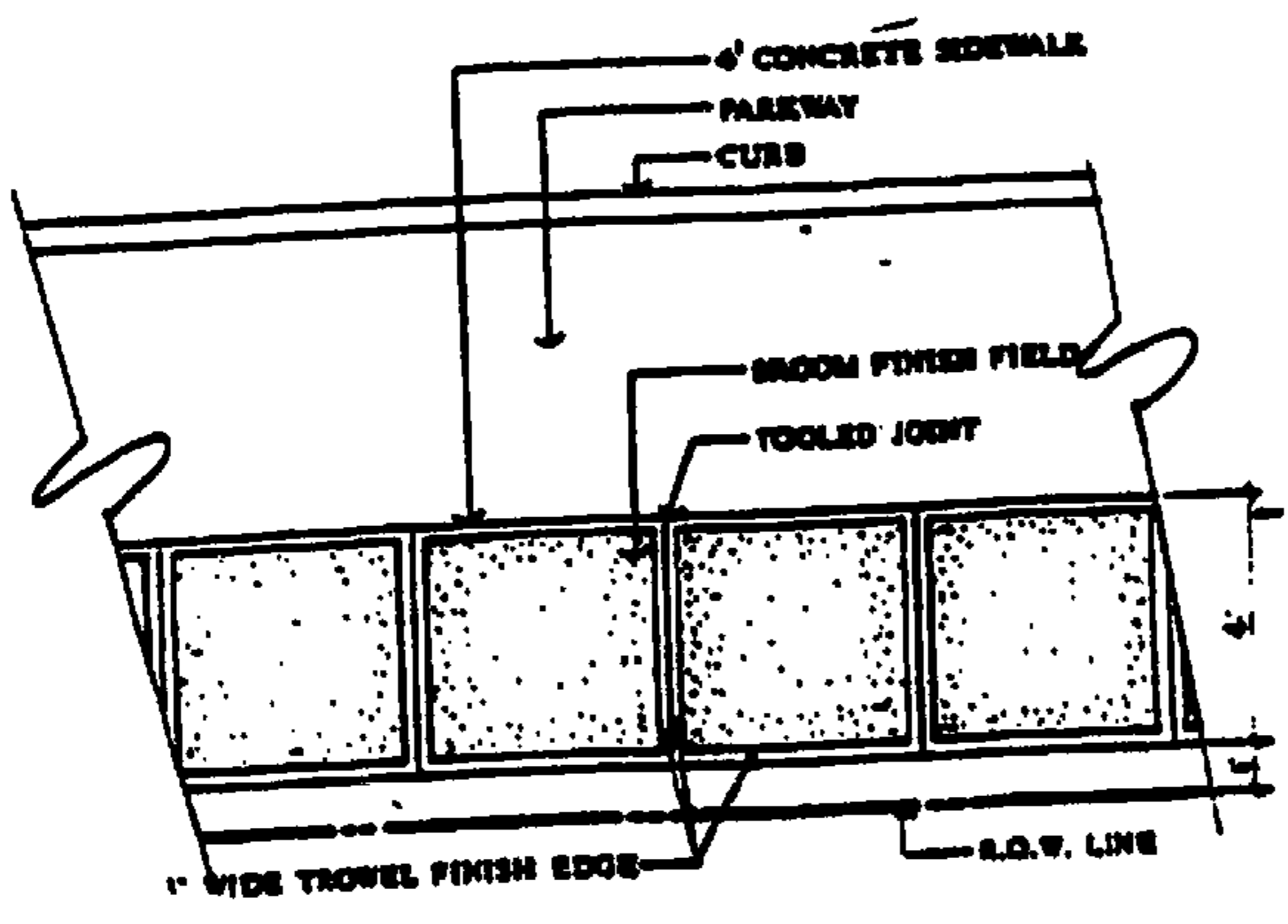


Don S. Jackson

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SHADE TREE



SIDEWALK LOCATION PLAN

Check those steps to be followed in the collection program for your association. Additionally, please indicate at which day of delinquency each step is to be performed.

Check Here	Collection Item	Day of Delinquency at which to Perform	Recommendations/Notes
<input type="checkbox"/>	a. Past Due Notice	16th	Day following association past due/delinquency date
<input type="checkbox"/>	b. Utility Cut-Off Notice	N/A	Only if association has common meters and cut-off is permitted in documents. Recommended from past due date - 30 days.
<input type="checkbox"/>	c. Initial Collection Letter outlining balance owed and intended collection steps to follow	30th	30 days
<input type="checkbox"/>	d. Telephone Contact	45th & 75th	Recommended at 45 and 75 days
<input type="checkbox"/>	e. Report delinquent account to Credit Bureau	60th	60 days
<input type="checkbox"/>	f. Notification to owner of Credit Bureau report along with intent to file lien if payment is not received in ten days	60th	60 days - to be done in correlation with item "e"
<input type="checkbox"/>	g. Notification of delinquency to mortgage company requesting payment from escrow account	60th	60 days
<input type="checkbox"/>	h. Performance of title search to determine legal owner/other encumbrances of property	75th	75 days (or 15 days after notification of intent to file lien)
<input type="checkbox"/>	i. Filing of Lien against property	75th to 90th	Upon completion of title search/90 days
<input type="checkbox"/>	j. Notification to owner of lien filing along with intent to perform the next collection step (typically item "k" or "l" if pmt not rcvd in ten days)	75th to 90th	Approx. 90 days - to be done in correlation with item "i"
<input type="checkbox"/>	k. Forward collection file to attorney for non-judicial foreclosure		100 days (must be allowed in documents)
<input type="checkbox"/>	l. File suit in small claims court	100th	100 days recommended if performed before foreclosure (outstanding balance must be less than \$5000)

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APPROVED:

Authorized Board Member

Dated:

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PRINCIPAL MANAGEMENT GROUP
5622 Dyer St.
Dallas, TX 75206

Filed for Record in:
DENTON COUNTY, TX
CYNTHIA MITCHELL, COUNTY
CLERK

On Feb 29 2000
At 4:11pm

Doc/Num : 00-R0017965
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Recording: 49.00
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Receipt #: 8457
Deputy - Christy