

Heritage Ranch
Forming Clubs Policy

A. Purpose

The purpose of this document is to define the policies and procedures for forming and operating Clubs and Groups at Heritage Ranch.

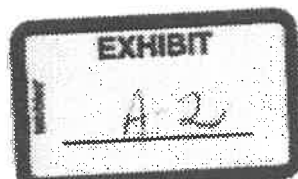
B. Definitions

Club - A "CLUB" is defined as any group of homeowners at Heritage Ranch that elects Officers, charges dues, charges for attendance at sponsored activities or conducts fundraisers.

HOA - The Homeowners Association of Heritage Ranch, Inc.

C. Forming Clubs

1. All CLUBS must have By-Laws that are reviewed and approved by the HOA Board of Directors.
2. All CLUB'S By-Laws must be recorded with Collin County to be in compliance with HB 1821. The HOA will facilitate the filing of approved CLUB By-Laws. CLUB'S will reimburse the HOA for the expense of recording the CLUB'S By-Laws.
3. Board approved updates or amendments to CLUB'S By-Laws must be recorded with Collin County to be in compliance with HB 1821. The HOA will facilitate the filing of approved updated or amended CLUB By-Laws. The CLUB will reimburse the HOA for the expense incurred in recording the updated or amended By-Laws.
4. The "CLUB" acknowledges and agrees that the "CLUB" carries no additional rights or privileges to use the facilities of the HOA other than those use rights set forth in the HOA's governing documents.
5. The "CLUB" further acknowledges and agrees that the use of the facilities is nonexclusive and that there may be one or more CLUBS formed within Heritage Ranch for similar purposes or activities.
6. The "CLUB'S" use of the HOA's name or logo is strictly prohibited unless approved in writing by the HOA Board of Directors or Management.
7. The HOA may revoke the CLUB's authority to use the HOA's name at any time.
8. All By-Laws for "CLUBS" shall adhere to the CC&R's for the Heritage Ranch Homeowner Association and include within its By-Laws the LIMITATION OF LIABILITY verbiage as set forth in Section D below as it relates to the "CLUB" and its members.
9. All "CLUBS" shall provide copies of By-Laws to be on file in the HOA Office.
10. Meetings for all "CLUBS" shall be open to all members of that "CLUB", the HOA Board of Directors, Association Manager or other designated Staff Members.
11. All CLUBS are open to all homeowners unless approved by the HOA Board of Directors.



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D. Limitation, Release & Waiver of Liability

The HOA is not an insurer of any "CLUB" and/or its members' risks and exposures. All homeowners are required to sign the Release of Liability and Accident Waiver for Heritage Ranch Social Clubs (See Appendix A) as a condition of participation in HOA activities.

E. Scheduling Use of Clubhouse Facilities

See the Clubhouse Use Policy for information related to scheduling the Clubhouse.

F. Charging Clubs For Use of the Clubhouse See

Clubhouse Use Policy for details.

G. Revenue Generating Activities

1. Individual CLUBs should keep funds in a non-interest paying checking account set up by the CLUB to avoid income tax issues. In addition, there should be at least two authorized signatures on the account to ensure access to funds.
2. Some activities at Heritage Ranch may include an entrance fee. Tickets will be sold per the Heritage Ranch Club Revenue & Expense Policy.
3. Entrance fees should be set to cover the cost of the event and any special materials that are required. If a profit results from sale of tickets, it may be used for the purchase of supplies and equipment to improve the Clubhouse facility and operation with the prior approval of the HOA Board of Directors. Any items so purchased become the property of the HOA. Those purchase proposals will be formulated by the Ballroom Improvements Committee, which will include representation from all contributing CLUBs.
4. The Community Events Director will contract with the band or speaker selected for a revenue generating event. The contract, insurance and/or insurance waiver and a W-9 must be reviewed with the Community Events Director to ensure HOA liability issues and tax reporting requirements are properly addressed. An IRS Form 1099 will be issued to that band or speaker.
5. Any profits that are not used for clubhouse improvements or that are not set aside for documented future costs are to be contributed to the HOA Activities department for the benefit of all homeowners.
6. Each Club must provide a list of current officers of the Club to Community Events Director at the end of each year.

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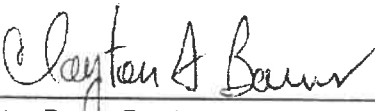
H. Accounting For Club Revenue

1. The HOA is a non-profit corporation, and must file sales tax reports, Franchise Tax reports and Federal Income Tax reports. To support these tax filings, all ticket sales for live or recorded performances by all CLUBS of HR must be accounted for within the records of the Association. Also, all expenses and capital improvements must be recorded in the Association's books and records.
2. Tickets to all club events must be sold through the HOA per the Heritage Ranch Club Revenue & Expense Policy.
3. The HOA will file all necessary tax returns to ensure that filing requirements are met.

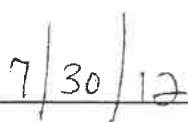
I. Guidelines For Clubs Websites And Usage Of Heritage Ranch Logos

1. When a Heritage Ranch logo is used on a Club Website, written Management permission is required.
2. Websites containing members' personal information must have a security login to protect the privacy of members.
3. The HOA is not responsible for any website content displayed on Clubs websites.
4. Websites should include the following information:
 - a. Webmaster contact information
 - b. Calendar of events
 - c. Clubs bylaws (in pdf format)
 - d. Clubs minutes (in pdf format)
 - e. Club membership applications
 - f. Photos (if desired)
 - g. Handicaps (golfing clubs)
 - h. Officers contact information
 - i. Purpose
 - j. Sub-Committees (if any)

Approved by:
HOA Board of Directors



Clayton Barnes, President



Date

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Change History

Version A — Approved Mar. 20, 2008

Version B — Approved June 19, 2008

Version C — Approved August 21, 2008

Version D — Approved January 21, 2010

Version E — Approved October 17, 2011

Version F — Approved March 12, 2012

Version G — Approved _____, 2012

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Appendix A

Release of Liability and Accident Waiver for Heritage Ranch Social Clubs

(Enter name of club)

The below signed person is a member or resident of Heritage Ranch and desires to participate in the meetings and functions of the above named Club. The Club is a voluntary association of Heritage Ranch residents organized in accordance with its Bylaws, and holds meetings and conducts its functions in the Heritage Ranch Clubhouse and elsewhere. The meetings and functions of the Club are governed, coordinated and controlled by its members, and neither the Homeowners Association of Heritage Ranch (HOA), the Board of Directors (Board), Management Company, employees and staff members (Management) exercise control over or participate in Club functions, except in an individual capacity. The term "functions" used herein means any social or business gathering of the Club, including meetings, arranged transportation, and vendor presentations/sales, and other activity normally associated with social clubs. Vendor presentations/sales and transportation provided by independent operators are the responsibility solely of such vendor or independent operator and do not carry any endorsement or guarantee of accuracy, safety, content or quality from the HOA, Board or Management.

Club functions may involve risks, dangers and inconveniences, including, but not limited to, risk of injury, death and illness; cancellation or delay; changes in schedules, accommodations, dining options; loss of luggage and personal belongings; adverse health risks in remote areas without adequate medical facilities; differing social and economic standards; facility safety and design criteria; risks from weather and terrain conditions; risks from forces of nature; risks of travel by any means of conveyance, whether by air, water vessel, motor vehicle, or foot; and risks from strenuous personal exertion.

I acknowledge that I am physically fit to participate in the meetings and functions of the above named Club and have not been advised to abstain from participating by a qualified medical professional. I certify that I have no health related conditions, reasons or problems that preclude my participation.

In consideration for my membership in the Club above named and participation in its meetings and functions, I hereby take action for myself, my executors, personal representatives, administrators, heirs, next of kin successors and assigns as follows:

I waive, release and discharge from any and all liability, including but not limited to, liability arising from the negligence or fault of the HOA, Board and Management, for my death, disability, personal injury, property damage, property theft or loss, or actions of any kind which may hereafter occur to me including my traveling to and from and during the course of Club functions. **I assume all of the risks of participation**, including by way of example and not limitation, any risks that may arise from negligence or carelessness on the part of the HOA, Board and Management, from defective equipment or property owned, maintained or controlled by them. **I indemnify, hold harmless, and promise not to sue** the HOA, Board, Management individually, jointly or collectively, from any and all liabilities or claims I may have under law, or made on my behalf, as a result of Club functions, whether caused by their negligence or otherwise.

I acknowledge that the HOA, Board and Management are not responsible for the errors, omissions, acts or failures of any party or entity conducting Club functions.

I hereby consent to receive medical treatment, which may be deemed advisable in the event of injury, accident and/or illness during the course of Club meetings and functions

I acknowledge that I have read this document. I declare that I am fully competent to sign it. I understand it is enforceable under law, and that by signing it I am relinquishing certain of my legal rights, and I certify that I fully understand those consequences.

Signature of Club Member

Name of Club Member / HR member number

Date

Witness signature

Witness name

Date