EL CARY ESTATES IMPROVEMENT ASSOCIATION

<u>POLICY MANUAL</u>

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ATTACHMENT 1

EL CARY ESTATES IMPROVEMENT ASSOCIATION
CERTIFICATE OF FORMATION

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Jane Nelson
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

EL CARY ESTATES IMPROVEMENT ASSOCIATION
13425501

The undersigned, as Secretary of State of Texas, hereby certifies that a Restated Certificate of Formation for the above named domestic nonprofit corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 07/02/2025

Effective: 07/02/2025

Jane Nelson

Jane Nelson
Secretary of State

Form 414 **(Revised 09/13)** Submit in duplicate to: Secretary of State P.O. Box 13697 Austin, TX 78711-3697 512 463-5555 FAX: 512/463-5709 **Filing Fee: See instructions**	THE STATE OF TEXAS **Restated Certificate of Formation With New Amendments**	This space reserved for office use. FILED In the Office of the Secretary of State of Texas JUL 02 2025 Corporations Section

Entity Information

The name of the filing entity is:

El Cary Estates Improvement Association

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- ☐ For-profit Corporation
- ☑ Nonprofit Corporation
- ☐ Cooperative Association
- ☐ Limited Liability Company
- ☐ Professional Corporation
- ☐ Professional Limited Liability Company
- ☐ Professional Association
- ☐ Limited Partnership

The file number issued to the filing entity by the secretary of state is: 13425501

The date of formation of the filing entity is: July 20, 1956

Statement of Approval

Each new amendment has been made in accordance with the provisions of the Texas Business Organizations Code. The amendments to the certificate of formation and the restated certificate of formation have been approved in the manner required by the Code and by the governing documents of the entity.

Required Statements

The restated certificate of formation, which is attached to this form, accurately states the text of the certificate of formation being restated and each amendment to the certificate of formation being restated that is in effect, and as further amended by the restated certificate of formation. The attached restated certificate of formation does not contain any other change in the certificate of formation being restated except for the information permitted to be omitted by the provisions of the Texas Business Organizations Code applicable to the filing entity.

Effectiveness of Filing (Select either A, B, or C.)

A. ☑ This document becomes effective when the document is filed by the secretary of state.

B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: ______________________

C. ☐ This document takes effect upon the occurrence of the future event or fact, other than the passage of time. The 90th day after the date of signing is: ______________________

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent in the restated certificate of formation has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: 6/30/2025

El Cary Estates Improvement Association
Name of entity (see Execution instructions)

S. Ron Poole
Signature of authorized individual (see instructions)

Ron Poole, President
Printed or typed name of authorized individual

Attach the text of the amended and restated certificate of formation to the completed statement form. Identify the attachment as "Restated Certificate of Formation of [Name of Entity]."

RESTATED CERTIFICATE OF FORMATION OF EL CARY ESTATES IMPROVEMENT ASSOCIATION

ARTICLE I. ENTITY NAME AND TYPE

The name of the nonprofit corporation is El Cary Estates Improvement Association (the "Association").

ARTICLE II. REGISTERED AGENT AND REGISTERED OFFICE

The address of the Association's registered office in the State of Texas is 204 Lake View Blvd, Seabrook TX 77586. Its registered agent at such address is an individual resident of the state whose name is Kristi M Poole.

The consent of the registered agent is maintained by the entity.

ARTICLE III. MANAGEMENT

The management of the affairs of the Association is vested in the board of directors. The number of directors constituting the board of directors is five (5). The names and addresses of the persons who shall serve as directors until their successors are duly elected and qualified in accordance with the by-laws of the Association are as follows:

1	G. Ron	Poole	P.O. Box 861	Seabrook	TX	77586	USA
2	Greg	Haronitis	P.O. Box 861	Seabrook	TX	77586	USA
3	Kevin	Miller	P.O. Box 861	Seabrook	TX	77586	USA
4	V. Lynn	Irvine	P.O. Box 861	Seabrook	TX	77586	USA
5	Lucas	LaVanda	P.O. Box 861	Seabrook	TX	77586	USA

ARTICLE IV. MEMBERSHIP

The Association shall have members. Its membership is composed of all the lot owners in El Cary Estates, a Subdivision in Harris County, Texas ("El Cary Estates"). Any person or entity acquiring a lot in El Cary Estates shall automatically become a member of the Association.

A member vote on any matter may be conducted by mail, by facsimile transmission, by electronic message, or by any combination of these methods.

ARTICLE V. PURPOSE

The Association is organized for the support of a benevolent undertaking, as authorized under Section 2.002 of Title 1 of the Business Organization Code of Texas (the "BOC"); and more specifically for the purpose of conducting safety and health campaigns, maintaining parks and park facilities, constituting a civic organization for the residents of El Cary Estates, and promoting the public welfare.

Mailing Address

P.O. Box 861 Seabrook, TX 77586

Supplemental Provision/Information

The Association is not organized for profit. It has no capital stock and it is not intended that capital stock will be issued.

No part of the net earnings of the Association shall be distributed to any member, director, officer, or other individual. In the event of dissolution of the Association, and after all liabilities and obligations of the Association in the process of winding up are paid, satisfied, and discharged in accordance with chapter 11 of the BOC, the property of the Association shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 501(c)(3), or described by Section 170(c)(1) or (2) of the Internal Revenue Code as provided in a plan of distribution adopted by the corporation under the BOC.

To the fullest extent permitted by applicable law, any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the El Cary Estates Restrictions or this Certificate of Formation.

<u>ATTACHMENT 2</u>

BYLAWS OF
EL CARY ESTATES IMPROVEMENT ASSOCIATION

RESTATED BYLAWS OF
EL CARY ESTATES IMPROVEMENT ASSOCIATION
(Restated April 9, 2025)

ARTICLE I

General

Section 1.1 – Purpose. The purposes of this Association are as set out in the charter approved and filed with the Secretary of State, as follows:

(a) For the purpose of conducting safety campaigns and health campaigns and maintaining parks and park facilities and constituting a civic organization for the residents of EL CARY ESTATES, an addition in Harris County, Texas, and in further explanation,

(b) To impartially, and for the betterment of EL CARY ESTATES, enforce the complete compliance of restrictive covenants and conditions applicable to EL CARY ESTATES, as fully set out and contained in instrument dated February 4, 1955, executed by ELMER E. CARY, recorded in Volume 2907, Page 218 of the Deed Records of Harris County, Texas, and any amendments and supplements thereto made in accordance with its terms;

(c) To accept from the said Elmer E. Cary the title to the tract of land designated on the plat of EL CARY ESTATES, as Private Park, and to maintain same as such;

(d) To accept, as the Civic Organization mentioned in said restrictive covenants and conditions above mentioned, the enforcement and collection of the annual maintenance charge therein provided for, and to expand same for the benefit of El Cary Estates as more fully set out and prescribed in SECTION XVI of the above-mentioned instrument recorded in Volume 2907, Page 218 of the Deed Records of Harris County, Texas, and any amendments and supplements thereto made in accordance with its terms.

Section 1.2 – Eligibility. Active members of this Association are restricted to the owners of any lot or lots in El Cary Estates, as filed in the Deed Records of Harris County, Texas, with the right to vote at all meetings of the Association and to hold office herein. All active members, and all members of their household families, shall be entitled to all park privileges, and to any other rights and privileges extended and furnished by the Association.

Section 1.3 – Membership. As above stated, the membership shall be composed of owners of lots in EL CARY ESTATES, and as each person acquires title to, or the right of title to, any lot in said Addition, membership to the association becomes automatic, and said member shall then be subject to all of the obligations and conditions pertaining to this Association.

Section 1.4 – Dues. Each lot owner, as the lot or lots is purchased, becomes obligated to pay the annual maintenance charge as provided for, and as from time to time, adjusted, in the instrument containing restrictive covenants and conditions recorded in Volume 2907, Page

218 of Deed Records of Harris County, Texas, and any amendments and supplements thereto made in accordance with its terms. And the payment of said dues, or maintenance charge, as provided in said instrument, is the obligation of each lot owner, and a prerequisite to become an active member of this Association. The Association, and its successors, shall have the full right and authority to enforce the collection of said dues, and/or maintenance charge.

Section 1.5 – Assessments. No assessments shall be levied against membership in this Association, except that which may be levied in accordance with the terms contained in said instrument recorded in Volume 2907, Page 218 of the Deed Records of Harris County, Texas, and any amendments and supplements thereto made in accordance with its terms.

ARTICLE II

Officers

Section 2.1 – Officers. The officers of the Association shall be a President, Vice-President, a Secretary and Treasurer – but the latter two officers may be combined as a Secretary – Treasurer.

Section 2.2 – President and Vice President. The President, or in his absence, the Vice President, shall preside at all meetings of the Association and of the Board of Directors and shall have general supervision of the affairs of the Association, its properties and its employees. If both the President and Vice President be absent from any meeting, the members present may elect a presiding officer.

The President, or in case he be absent or for any reason unable to act, the Vice President, or such person as the Board of Directors may appoint for that purpose, shall, with the Secretary, sign all written contracts and obligations of the Association, and shall perform such other duties as the Board of Directors may prescribe.

Section 2.3 – Secretary. The Secretary shall keep the records of the meetings of the Association and of the Board of Directors; he shall keep a complete list of members and shall perform such other duties as may from time to time be prescribed by the Board of Directors. He shall deliver notices of all meetings of the Association, and of the Board of Directors, to the members thereof, respectively, as provide by the By-Laws, and shall conduct all correspondence excepting that pertaining to the office of the Treasurer.

Section 2.4 – Treasurer. The Treasurer, his assistant or appointees, shall collect and keep all moneys of the Association and disburse them as directed by the Board of Directors. He shall keep the accounts in books belonging to the Association, which shall be at all times open to the inspection of the Board of Directors, to whom he shall make a monthly report in writing of the money received and paid out and the account of funds on hand. He shall make a report of the financial condition of the Association quarterly, and a copy of each report shall be recorded in the minutes of the Association. He shall send all notices and conduct all correspondence relating to the financial matters to the Association.

Section 2.5 – Bonding. The Treasurer, his assistant or appointees, and all officers or employees of the Association concerned in handling, disbursing or custody of the Association's finances or properties, shall furnish such bonds as the Board of Directors may require.

ARTICLE III

Meetings and Elections

Section 3.1 – Annual Meeting. The annual meeting of the Association shall be held during the month of June at the most convenient place as the Board of Directors may designate. At least ten days written notice of the time and place of holding such annual meeting shall be delivered to each voting member at their last known post office or email address. Voting shall be by ballot.

The Board of Directors shall make appropriate provision of the conduct of all elections, consistent with the By-Laws.

Section 3.2 – Special Meetings. Special meetings of the Association may be called at any time by order of the President or by three members of the Board of Directors, or by 50% of the members of the Association.

Section 3.3 – Quorum. At any annual or special meeting, 20% of the voting members shall constitute a quorum.

Section 3.4 – Voting Member. The term "Voting Member" as herein used means all Active Members of the Association who by the By-Laws are qualified to vote at any election or meeting of the Association.

Section 3.5 – Notice of Meetings. Members shall be given notice of the date, time, place and subject of an annual or special meeting of members. The notice shall be provided at least ten days before and not earlier than sixty days before the date of the meeting by (i) posting the notice in conspicuous manner on the www.elcaryestates.com website and (ii) sending the notice by e-mail to each owner who has registered an e-mail address with the Association. It is an owner's duty to keep an updated e-mail address registered with the Association.

Section 3.6 – Voting. The voting rights of members shall be as set forth in the Restrictions, and such voting rights provisions are specifically incorporated by reference. Except as otherwise provided in the Restrictions, action may be taken at any legally convened meeting of the members upon the affirmative vote of the members having a majority of the total votes present at such meeting in person, by proxy or by absentee ballot or electronic voting, if such votes are considered present at the meeting as further set forth herein. The person holding legal title to the lot shall be entitled to cast the vote allocated to such lot unless such right is expressly delegated to another person in writing.

Section 3.7 – Methods of Voting: In Person; Proxies; Absentee Ballots; Electronically. On any matter as to which a member is entitled to cast his vote, such vote may be cast or given: (i) in person or by proxy at a meeting of the Association; (ii) by absentee ballot; (iii) by electronic ballot; or (iv) by such other means as may be permitted by law and as adopted by the Board. Any vote cast in an election or vote by a member of the Association must be in writing and signed by the member. Electronic votes constitute written and signed ballots. In an Association election, written and signed ballots are not required for uncontested races. Votes shall be cast as provided in this section:

(a) Proxies. Any member may give a revocable proxy in the form as prescribed by the Board from time to time to any person authorizing such person to cast the member's vote on any matter. A member's vote by proxy is subject to any specific provision to the contrary in the Restrictions or these Bylaws. No proxy shall be valid unless signed by the member for which it is given or his duly authorized attorney-in-fact, and dated. In no event shall a proxy be valid more than eleven months after the effective date of the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the lot for which it was given.

(b) Absentee and Electronic Ballots. An absentee or electronic ballot: (i) may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (ii) may not be counted, even if properly delivered, if the owner attends any meeting to vote in person, so that any vote cast at a meeting by an owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (iii) may not be counted on the final vote of a proposal if the proposal was amended at the meeting to be different from the exact language on the absentee or electronic ballot. For the purposes of this Section, a nomination taken from the floor in a Board member election is not considered an amendment to the proposal for the election.

   i. Absentee Ballots. No absentee ballot shall be valid unless it is in writing, signed by the member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the lot for which it was given.

   ii. Electronic Ballots. "Electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; and (b) for which the identity of the owner submitting the ballot can be confirmed. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each owner that contains instructions on obtaining access to the posting on the website.

ARTICLE IV

Board of Directors

Section 4.1 – Authority; Number of Directors. The management of the Association shall be vested in a Board of five members to be known as the Board of Directors who are to be elected as provided herein. The members of the Board of Directors shall take office immediately after their elections. The Board of Directors shall have general charge and control of the affairs, funds and property of the Association.

Section 4.2 – Qualification of Directors. Each director shall be a lot owner. No more than one owner of a given property may be a Director concurrently. Other than as set forth in this subparagraph, the Association may not restrict an owner's right to run for a position on the Board.

Section 4.3 – Classified Board. The Directors shall be classified, with respect to the time for which they shall hold their respective offices, by dividing them into three classes, with each Director then in office to be designated as a Class I Director, a Class II Director or a Class III Director, with each class to be apportioned as nearly equal in number as possible. The Board of Directors is authorized to assign each Director already in office at the effective date of this amendment to Class I, Class II or Class III. Directors shall be assigned to each class and the initial class term expiration will be set in accordance with a resolution or resolutions adopted by the Board of Directors. At the Annual Meetings following the effective date of the initial classification of the Board, each director shall serve for a term ending on the date of the third annual meeting of members following the annual meeting of members at which such director was elected and until his or her successor is duly elected and qualified.

Section 4.4 – Officer Elections. At the first regular or special meeting of the Board of Directors after the general election, the Board shall elect from its members a President, Vice President, Secretary and Treasurer to hold office for the terms of one year and until their successors are duly elected, provided, that the Directors in their discretion, may select the Secretary and Treasurer from outside the Board of Directors.

Section 4.5 – Board Meetings. The Board of Directors shall hold a regular meeting at such time or times as it may by rule prescribe. A special meeting of the Board of Directors may be called at any time by the order of the President or a majority of the members of the Board. A majority of the Board shall constitute a quorum for the transaction of business, at any regular or special called meeting. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4.6 – Board Member and Officer Resignation; Removal; Vacancies. Any director may resign at any time upon written or electronic transmission to the President or Secretary of the Association. Such resignation shall be effective upon delivery unless otherwise specified. Directors of the Association may be removed upon a majority vote of the Board of Directors. Any vacancy on the Board of Directors that results from the death, disability, resignation, disqualification or removal of any director or from any other cause shall be filled solely by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy in accordance with the preceding sentence shall hold office until the next annual meeting of members held to elect the class of directors to which such director is elected and until his or her successor is duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification, or removal.

Section 4.7 – Notices. Members shall be given notice of the date, hour, place and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be provided at least 144 hours before the start of a regular board meeting and at least 72 hours before the start of a special board meeting by (i) posting the notice in a conspicuous manner on the www.elcaryestates.com website and (ii) sending the notice by e-mail to each owner who has registered an e-mail address with the association. It is an owner's duty to keep an updated e-mail address registered with the Association.

Section 4.8 – Meeting Without Prior Notice. The Board may take action outside a meeting, including voting by electronic or telephonic means, without prior notice to the members if each Board member is given a reasonable opportunity (i) to express his or her opinions to all other Board members and (ii) to vote. Any action taken without notice to members must be summarized orally and documented in the minutes of the next regular or special Board meeting or summarized in a written consent that is noted in the minutes of the next regular or special Board meeting.

ARTICLE V

Committees

The Board of Directors shall appoint from its members, or from Active members of the Association who are not members of the Board, such committees as are deemed advisable to supervise the various functions of the Association.

ATTACHMENT 3

EL CARY ESTATES IMPROVEMENT ASSOCIATION
AMENDED AND RESTATED ASSESSMENT COLLECTION POLICY

El Cary Estates is a subdivision (the "Subdivision") subject to the El Cary Estates Covenants, Conditions, and Restrictions recorded in the Official Public Records of Harris County, Texas, and any amendments or supplements thereto ("Restrictions"). The operation of the Subdivision is vested in El Cary Estates Improvement Association, a Texas nonprofit corporation (the "Association"), acting through its Board of Directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Restrictions, Certificate, Bylaws, Policy Manual, and any Rules and Regulations promulgated by the Association pursuant to the Restrictions, as adopted and amended from time to time (collectively, the "Documents"), including the obligation of owners to pay maintenance charges and other assessments pursuant to the terms and provisions of the Documents.

The Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of maintenance charges and other assessments levied pursuant to the Documents. Terms used in this policy, but not defined, shall have the meaning subscribed to such terms in the Documents.

SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

1-A. Due Date. An owner will timely and fully pay maintenance charges and other assessments. Regular maintenance charges are assessed annually and are due and payable on the first calendar day of the month at the beginning of the calendar year, or on such other due date established by the Board and communicated on the billing statement.

1-B. Delinquent. Any maintenance charge or other assessment that is not fully paid when due is delinquent. When the account of an owner becomes delinquent, it remains delinquent until paid in full – including collection costs, interest and late fees.

1-C. Late Fees & Interest. If the Association does not receive full payment of a maintenance charge or other assessment by 5:00 p.m. on the due date established by the Board, the Association may levy a late fee of $35 per lot per year and/or interest at the highest rate allowed by applicable laws then in effect on the amount of the maintenance charge or other assessment from the due date thereof (or if there is no such highest interest rate, then at the rate of 1 and 1/2% per month) until paid in full.

1-D. Liability for Collection Costs. The defaulting owner is liable to the Association for the cost of title reports, credit reports, certified mail, court costs, filing fees, and other reasonable costs and attorneys' fees incurred by the Association in collecting the delinquency.

1-E. Insufficient Funds. The Association may levy a charge of $25 for any check returned to the Association marked "not sufficient funds" or equivalent.

1-F. Waiver. Properly levied collection costs, late fees, and interest may only be waived by the President or a majority of the Board.

SECTION 2. INSTALLMENTS & ACCELERATION

If an assessment is payable in installments, and if an owner defaults in the payment of any installment, the Association may declare the entire assessment in default and accelerate the due date on all remaining installments of the assessment. An assessment payable in installments may be accelerated only after the Association gives the owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the owner.

SECTION 3. PAYMENTS

3-A. Application of Payments. After the Association notifies the owner of a delinquency and the owner's liability for late fees or interest, and collection costs, any payment received by the Association shall be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose:

(1) Delinquent assessments	(4) Other reasonable attorneys' fees
(2) Current assessments	(5) Reasonable fines
(3) Reasonable attorneys' fees and costs association solely with delinquent assessments	(6) Any other reasonable amount

3-B. Payment Plans. The Association shall offer a payment plan to a delinquent owner with a minimum term of at least three (3) months from the date the payment plan is requested for which the owner may be charged reasonable administrative costs and interest. The Association will determine the actual term of each payment plan offered to an owner in their sole discretion. An owner is not entitled to a payment plan if the owner has defaulted on a previous payment plan in the last two (2) years. The Association is not required to make a payment plan available to an owner after the Delinquency Cure Period allowed under Paragraph 5-B expires. After the Delinquency Cure Period, if an owner is in default at the time the owner submits a payment, the Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

3-C. Form of Payment. The Association may require the payment of delinquent assessments be made only in the form of cash, cashier's check, or certified funds.

3-D. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attached conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

3-E. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the owner. The Association may require the owner to prepay the cost of preparing and recording the release.

3-F. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

4-A. Collection Costs. The defaulting Owner may be liable to the Association for the cost of title reports, credit reports, certified mail, filing fees, and other reasonable costs and attorneys' fees incurred in the collection of the delinquency.

SECTION 5. COLLECTION PROCEDURES

5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector.

5-B. Delinquency Notices. If the Association has not received full payment of an assessment by the due date, the Association may send written notice of nonpayment to the defaulting owner by certified mail, stating: (a) the amount delinquent and the total amount of the payment required to make the account current, (b) the options the owner has to avoid having the account turned over to a collection agent, as such term is defined in Texas Property Code Section 209.0064, including information regarding availability of a payment plan through the Association, and (c) that the owner has forty-five (45) days for the owner to cure the delinquency before further collection action is taken (the "Delinquency Cure Period"). The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting owner.

5-C. Verification of Owner Information. The Association may obtain a title report to determine the names of the owners and the identity of other lien-holders, including the mortgage company.

5-D. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.

5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default obligations.

5-F. Notification of Credit Bureau. The Association may report the defaulting owner to one or more credit reporting services. In that event, at least thirty (30) business days prior to reporting to a credit bureau, a copy of the notice shall be sent via certified mail, hand delivery or electronic delivery to the defaulting owner, which shall include a detailed report of all delinquent charges owed and information regarding any payment plan opportunities offered to the defaulting owner. The Association shall not report to a credit report service any delinquent charges, fines, or fees that are the subject of a pending dispute between the defaulting owner and the Association. The defaulting owner will not be liable for any costs or fees associated with any actual reporting of any delinquency to the credit reporting services.

5-G. Collection Procedures. If the owner's account remains delinquent for a period of forty-five (45) days or more, the manager of the Association or the Board of the Association may refer the delinquent account to the Association's treasurer or attorney for collection. In the event an account is referred to the Association's treasurer or attorney, the owner will be liable to the Association for its legal fees and expenses. Upon referral of a delinquent account to the Association's treasurer or attorney, the Association's treasurer or attorney will ensure the following notices are provided, or have been provided, in accordance with applicable law:

(1) Delinquency Notice: Preparation of written notice of delinquency as described in Section 5-B. If the account is not paid in full by the later of the deadline set forth in the notice letter or forty-five (45) days after the notice date, then
(2) Intent to File Lien Notice: Preparation of the second written notice of delinquency and intent to file Assessment Lien. If the account is not paid in full by the later of the deadline set forth in the notice letter or ninety (90) days after the notice date, then
(3) Lien Notice to County Clerk: Preparation of the Notice of Assessment Lien and filing in the real property records of Harris County, TX, then
(4) Lienholder Notice: Preparation of any notice required to be sent to any holder of a lien of record on the property whose lien is evidenced by a deed of trust and is inferior or subordinate to the Association's claim.

5-H. Notice of Judgment. The Association may cause a notice of the Association's assessment lien against the owner's home to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting owner, and may also be sent to the owner's mortgagee.

5-I. Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting owner.

5-J. Suspension of Use of Certain Facilities or Services. The Board may suspend the use of the Common Area amenities by an owner, or such owner's tenant, whose account with the Association is delinquent for at least forty-five (45) days.

SECTION 6. GENERAL PROVISIONS

6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association may exercise their independent, collective, and respective judgment in applying this policy.

6-B. Other Rights. This policy is in addition to and does not limit the rights of the Association to collect Assessments under the Documents and the laws of the State of Texas.

6-C. Limitation of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid assessments, or reimbursed to the owner if those assessments are paid in full.

6-D. Notices. Unless the Documents, applicable law, or this policy provide otherwise, any notice or other written communication given to an owner pursuant to this policy will be deemed delivered to the owner upon depositing same with the U.S. Postal Service, addressed to the owner at the most recent address shown on the Association's records, or on personal delivery to the owner. If the Association's records show that an owner's property is owned by two (2) or more persons, notice to one co-owner is deemed notice to all co-owners. Similarly, notice to one resident is deemed notice to all owners. Written communications to the Association, pursuant to the policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.

6-E. Amendment of Policy. This policy may be amended from time to time by the Board.

ATTACHMENT 4

EL CARY ESTATES IMPROVEMENT ASSOCIATION
RECORDS INSPECTION, COPYING AND RETENTION POLICY

Note: Texas statutes presently render null and void any restriction which restricts or prohibits the inspection, copying and/or retention of association records and files in violation of the controlling provisions of the Texas Property Code or any other applicable state law. The Board has adopted this policy in lieu of any express prohibition or any provision regulating such matters which conflict with Texas law, as set forth in the Restrictions.

(1) Written Form. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(2) Request in Writing; Pay Estimated Costs in Advance. An owner (or an individual identified as an owner's agent, attorney or certified public accountant, provided the designation is in writing and delivered to the Association) may submit a written request via certified mail to the Association's mailing address or authorized representative listed in the management certificate to access the Association's records. The written request must include sufficient detail describing the books and records requested and whether the owner desires to inspect or copy the records. Upon receipt of a written request, the Association may estimate the costs associated with responding to each request, which costs may not exceed the costs allowed pursuant to Texas Administrative Code Section 70.3, as may be amended from time to time (a current copy of which is attached hereto). Before providing the requested records, the Association will require that the owner remit such estimated amount to the Association. The Association will provide a final invoice to the owner on or before the thirtieth (30^{th}) business day after the records are provided by the Association. If the final invoice includes additional amounts due from the requesting party, the additional amounts, if not reimbursed to the Association before the thirtieth (30^{th}) business day after the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the thirtieth (30^{th}) business day after the date the final invoice is sent to the owner.

(3) Period of Inspection. Within ten (10) business days from receipt of the written request, the Association must either: (a) provide the copies to the owner; (b) provide available inspection dates; or (c) provide written notice that the Association cannot produce the documents within the ten (10) business days along with either: (i) another date within an additional fifteen (15) business days on which the records may either be inspected or by which the copies will be sent to the owner; or (ii) a notice that after a diligent search, the requested records are missing and cannot be located.

(4) Records Retention. The Association shall keep the following records for at least the time periods stated below:

   a. **PERMANENT:** The Articles of Incorporation or Certificates of Formation, the Bylaws, Restrictions, any and all other governing documents, guidelines, rules, regulations and policies and all amendments thereto recorded in the property records to be effective against any owner and/or member of the Association.

   b. **FOUR (4) YEARS:** Contracts with a term of more than one (1) year between the Association and a third party. The four (4) year retention term begins upon expiration of the contract term.

c. **FIVE (5) YEARS:** Account records of each owner. Account records include debit and credit entries associated with amounts due and payable by the owner to the Association, and written or electronic records related to the owner and produced by the Association in the ordinary course of business.

d. **SEVEN (7) YEARS:** Minutes of all meeting of the Board and owners.

e. **SEVEN (7) YEARS:** Financial books and records produced in the ordinary course of business, tax returns and audits of the Association.

f. **GENERAL RETENTION INSTRUCTION:** “Permanent” means records which are not to be destroyed. Except for contracts with a term of one (1) year or more (See item 4.b above), a retention period starts on the last day of the fiscal year in which the record is created and ends on the last day of the fiscal year of the retention period. For example, if a record is created on June 14, 2016, and the retention period is five (5) years, the retention period begins on July 31, 2016 and ends on July 31, 2021. If the retention period for a record has elapsed and the record will be destroyed, the record should be shredded or otherwise safely and completely destroyed. Electronic files should be destroyed to ensure that data cannot be reconstructed from the storage mechanism on which the record resides.

(5) Confidential Records. As determined in the discretion of the Board, certain Association records may be kept confidential such as personnel files, owner account or other personal information (except addresses) unless the owner requesting the records provides a court order or written authorization from the person whose records are sought.

(6) Attorney Files. Attorney’s files and records relating to the Association (excluding invoices requested by an owner pursuant to Texas Property Code Section 209.008(d)), are not records of the Association and are not: (a) subject to inspection by the owner; or (b) subject to production in a legal proceeding. If a document in an attorney’s files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney’s files and records if the Association has not maintained a separate copy of the document. The Association is not required under any circumstance to produce a document for inspection or copying that constitutes attorney work product or that is privileged as an attorney-client communication.

(7) Presence of Board Member or Manager; No Removal. At the discretion of the Board or the Association’s manager, certain records may only be inspected in the presence of a Board member or employee of the Association’s manager. No original records may be removed from the office without the express written consent of the Board.

TEXAS ADMINISTRATIVE CODE

TITLE 1, PART 3, CHAPTER 70

RULE §70.3 CHARGES FOR PROVIDING COPIES OF PUBLIC INFORMATION

(a) The charges in this section to recover costs associated with providing copies of public information are based on estimated average costs to governmental bodies across the state. When actual costs are 25% higher than those used in these rules, governmental bodies other than agencies of the state, may request an exemption in accordance with §70.4 of this title (relating to Requesting an Exemption).

(b) Copy charge.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is $.10 per page or part of a page. Each side that has recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

(A) Diskette--$1.00;

(B) Magnetic tape--actual cost

(C) Data cartridge--actual cost;

(D) Tape cartridge--actual cost;

(E) Rewritable CD (CD-RW)--$1.00;

(F) Non-rewritable CD (CD-R)--$1.00;

(G) Digital video disc (DVD)--$3.00;

(H) JAZ drive--actual cost;

(I) Other electronic media--actual cost;

(J) VHS video cassette--$2.50;

(K) Audio cassette--$1.00;

(L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--$.50;

(M) Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic)--actual cost.

(c) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.

(1) The hourly charge for a programmer is $28.50 an hour. Only programming services shall be charged at this hourly rate.

(2) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

(3) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

(d) Labor charge for locating, compiling, manipulating data, and reproducing public information.

(1) The charge for labor costs incurred in processing a request for public information is $15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(2) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

(A) Two or more separate buildings that are not physically connected with each other; or

(B) A remote storage facility.

(3) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(A) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(B) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(4) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(5) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(6) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

(e) Overhead charge.

(1) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(2) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(3) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $15.00 x .20 = $3.00; or Programming labor charge, $28.50 x .20 = $5.70. If a request requires one hour of labor charge for locating, compiling, and reproducing information ($15.00 per hour); and one hour of programming labor charge ($28.50 per hour), the combined overhead would be: $15.00 + $28.50 = $43.50 x .20 = $8.70.

(f) Microfiche and microfilm charge.

(1) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(2) If only a master copy of information in microfilm is maintained, the charge is $.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

(g) Remote document retrieval charge.

(1) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(2) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

(h) Computer resource charge.

(1) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(2) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(3) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--$10 per CPU minute; Midsize--$1.50 per CPU minute; Client/Server--$2.20 per clock hour; PC or LAN--$1.00 per clock hour.

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $10 / 3 = $3.33; or $10 / 60 x 20 = $3.33.

(5) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

(i) Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

(j) Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

(k) Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).

(l) Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

(m) These charges are subject to periodic reevaluation and update.

Source Note: The provisions of this §70.3 adopted to be effective September 18, 1996, 21 TexReg 8587; amended to be effective February 20, 1997, 22 TexReg 1625; amended to be effective December 3, 1997, 22 TexReg 11651; amended to be effective December 21, 1999, 24 TexReg 11255; amended to be effective January 16, 2003, 28 TexReg 439; amended to be effective February 11, 2004, 29 TexReg 1189; transferred effective September 1, 2005, as published in the Texas Register September 29, 2006, 31 TexReg 8251; amended to be effective February 22, 2007, 32 TexReg 614.

ATTACHMENT 5

EL CARY ESTATES IMPROVEMENT ASSOCIATION

STATUTORY NOTICE OF POSTING AND RECORDATION OF ASSOCIATION GOVERNING DOCUMENTS

1. Association Information – Web Access. The Association shall make current versions of the Association's dedicatory instruments available to the Association's members via the internet on the website: https://elcaryestates.com.

2. Dedicatory Instruments. As set forth in the Texas Property Code Section 202.001, "dedicatory instrument" means each document governing the establishment, maintenance or operation of a residential subdivision, planned unit development, condominium or townhouse regime, or any similar planned development. The term includes the Restrictions, or any similar instrument subjecting real property to: (a) restrictive covenants, bylaws, or similar instruments governing the administration or operation of a property owners' association; (b) properly adopted rules and regulation of the property owners' association; or (c) all lawful amendments to the covenants, bylaws, instruments, rules, or regulations. The term "dedicatory instrument" is referred to in the notice as the "Documents."

3. Recordation of All Documents. The Association shall file the dedicatory instruments in the real property records of Harris County. Any dedicatory instrument comprising one of the dedicatory instruments of the Association has no effect until the instrument is filed in accordance with this provision, as set forth in Texas Property Code Section 202.006.

4. Management Certificate. The Association will maintain and update, as needed, a Management Certificate that contains: (a) the name of the subdivision; (b) the name of the Association; (c) the recording data for the subdivision; (d) the recording data for the Restrictions, and any amendments thereto; (e) the name and mailing address of the Association; (f) the name, mailing address, telephone number and e-mail address of the person managing the association or the association's designated representative; (g) the website address where the Association's dedicatory instruments are available; (h) the amount and description of fees charged by the Association relating to a property transfer in the subdivision; and (i) any other information the Association considers appropriate. The Management Certificate must be signed and acknowledged by an officer or the managing agent of the Association. An amended Management Certificate must be recorded not later than the 30th day after the date the Association has notice of a change in any information in the recorded certificate. Not later than the seventh day after the date a Management Certificate or amendment is recorded, the document will also be electronically filed with the Texas Real Estate Commission.

ATTACHMENT 6

EL CARY ESTATES IMPROVEMENT ASSOCIATION

EMAIL REGISTRATION POLICY

1. Purpose. The purpose of this Email Registration Policy is to facilitate proper notice of regular and special meetings of the Board of the Association pursuant to Section 209.0051(e) of the Texas Property Code and annual and special meetings of members of the Association pursuant to Section 209.0056.

2. Email Registration. Should the owner wish to receive any and all email notifications of regular and special meetings of the Board or annual and special meetings of members of the Association, it is the owner's sole responsibility to register his/her email address with the Association and to continue to keep the registered email address updated and current with the Association. In order to register an email address, the owner must provide their name, address, phone number and email address through the method provided on the Association's website, if any, and/or to the official contact information provided by the Association for the community manager or Board.

3. Failure to Register. An owner may not receive email notification or communication of regular and special meetings of the Board or annual or special meetings of members of the Association should the owner fail to register his/her email address with the Association and/or properly and timely maintain an accurate email address with the Association. Correspondence to the Association and/or Association manager from an email address or by any method other than the method described in No. 2 above will not be considered sufficient to register such email address with the Association.

4. Amendment. The Association may, from time to time, modify, amend or supplement this Policy or any other rules regarding email registration.

ATTACHMENT 7

EL CARY ESTATES IMPROVEMENT ASSOCIATION
FINE AND ENFORCEMENT POLICY

1. Background. El Cary Estates is a subdivision (the "Subdivision") subject to the El Cary Estates Covenants, Conditions, and Restrictions recorded in the Official Public Records of Harris County, Texas, and any amendments or supplements thereto ("Restrictions"). The operation of the Subdivision is vested in El Cary Estates Improvement Association, a Texas nonprofit corporation (the "Association"), acting through a majority of its Board of Directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Restrictions, Certificate, Bylaws, Policy Manual, and any Rules and Regulations promulgated by the Association pursuant to the Restrictions, as adopted and amended from time to time (collectively, the "Documents"), including the obligation of owners to pay maintenance charges and other assessments pursuant to the terms and provisions of the Documents and the obligations of the owners to compensate the Association for costs incurred by the Association for enforcing violations of the Documents.

The Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within the Association in compliance with Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "Act"). To the extent any provision within this policy is in conflict with the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Documents.

2. Policy. The Association uses fines to discourage violations of the Documents, and to encourage compliance when a violation occurs – not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.

3. Owner's Liability. An owner is liable for fines levied by the Association for violations of the Documents by the owner and the relatives, guests, employees, and agents of the owner and residents. Regardless of who commits the violation, the Association may direct all communications regarding the violations to the owner.

4. Amount. The Association may set fine amounts on a case-by-case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Documents. If the Association allows fines to accumulate, the Association may establish a maximum amount for a particular fine, at which point the total fine will be capped.

5. Violation Notice. Before levying a fine, the Association will give (i) a written violation notice via e-mail, mail or hand delivery to the owner (at the owner's last known address as shown in the

Association records) (the "Violation Notice") and (ii) an opportunity to be heard, if requested by the owner. The Association's Violation Notice will contain the following items: (1) the date the Violation Notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the fine, suspension action, or other charge; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid the fine or suspension; (5) the amount of the possible fine; (6) a statement that no later than the thirtieth (30th) day after the date the notice was mailed, the owner may request a hearing pursuant to Section 209.007 of the Texas Property Code, and further, if the hearing held pursuant to Section 209.007 of the Texas Property Code is to be held by a committee appointed by the Board, a statement notifying the owner that he or she has the right to appeal the committee's decision to the Board by written notice to the Board; and (7) a statement that the owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section et seq.), if the owner is serving on active military duty. The Violation Notice sent out pursuant to the paragraph is further subject to the following:

A. First Violation. If the owner has not been given notice and a reasonable opportunity to cure the same or similar violation withing the preceding six (6) months, the Violation Notice will state those items set out in (1) – (7) above, along with a reasonable timeframe by which the violation must be cured to avoid the fine. The Violation Notice must state that any future violation of the same rule may result in the levy of a fine. A fine pursuant to the Schedule of Fines may be levied if an owner does not cure the violation within the timeframe set forth in the notice.

B. Uncurable Violation/Violation of Public Health or Safety. If the violation is of an uncurable nature or poses a threat to public health or safety (as exemplified in Section 209.006 of the Texas Property Code), then the Violation Notice shall state those items set out in (1), (2), (3), (5), (6), and (7) above, and the Association shall have the right to exercise any enforcement remedy afforded to it under the Documents, including but not limited to the right to levy a fine pursuant to the Schedule of Fines.

C. Repeat Violation without Attempt to Cure. If the owner has been given a Violation Notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but commits the violation again, then the owner shall not be entitled to an additional Violation Notice or a hearing pursuant to Section 209.007 of the Texas Property Code, and the Association shall have the right to exercise any enforcement remedy afforded to it under the Documents, including but not limited to the right to levy a fine pursuant to the Scheule of Fines. After an owner has been provided a Violation Notice as set forth herein and assessed fines in the amounts set forth in the Schedule of Fines, if the owner has never cured the violation in response to any Violation Notices sent or any fines levied, then the Board, in its sole discretion, may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly or quarterly amount as determined by the Board.

6. Violation Hearing. Except as set forth in Section 5 above, the owner has the right to submit a written request to the Association for a hearing before the Board or a committee appointed by the Board to discuss and verify the facts and resolve the matter. To request a hearing, the owner must submit a written request (the "request") to the Association's manager or Board within thirty (30) days after receiving the violation notice. The Association must then hold the hearing requested no later than thirty (30) days after the Board received the Request. The Board must notify the owner of the date, time, and place of the hearing at least ten (10) days before the date of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the owner to attend. The Board or the owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. Notwithstanding the foregoing, the Association may exercise its other rights and remedies as set forth in Section 209.007(d) and (e) of the Texas Property Code. Any hearing before the Board will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The owner shall attend the hearing in person, but may be represented by another person during the hearing, upon advance written notice to the Board. If an owner intends to make an audio or video recording of the hearing, such owner's request for hearing shall include a statement noticing the owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Board. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the notice of violation and request for hearing should be placed in the minutes of the hearing. If the owner appears at the meeting, the notice requirements will be deemed satisfied. Unless otherwise agreed by the Board, each hearing shall be conducted in accordance with the agenda attached hereto as Exhibit A.

7. Due Date. Fine and/or damage charges are due immediately If the violation is uncurable or poses a threat to public health or safety. If the violation is curable, the fine and/or damage charges are due immediately after the later of: (1) the date that the cure period set out in the First Violation notice ends and the owner does not attempt to cure the violation or the attempted cure is unacceptable to the Association, or (2) if a hearing is requested by the owner, such fines or damage charges will be due immediately after the Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

8. Lien Created. The payment of each fine and/or damage charge levied by the Board against the owner of a lot is, together with interest as provided in Article XVI of the Restrictions and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Association pursuant to Article XVI of the Restrictions. The fine and/or damage charge will be considered an assessment for the purpose of the Article and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to Article XVI of the Restrictions.

9. Levy of Fine. Any fine levied shall be reflected on the owner's periodic statement of account or delinquency notices.

10. Foreclosure. The Association may not foreclose its assessment lien on a debt consisting solely of fines. However, under Texas law associations may initiate a foreclosure if your unpaid balance includes a combination of regular dues, assessments, late fees and/or legal fees.

11. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until the Association records an amendment to this policy in the county's official public records.

SCHEDULE OF GENERAL FINES

The Board has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Documents. The Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Board also reserves the right to set fine amounts on a case-by-case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

GENERAL FINES §:

New Violation: Notice of Violation	**Fine Amount:** $25.00 (if curable violation, may be avoided if owner cures the violation by the time specified in the notice)
Repeat Violation (No Right to Cure or Uncurable Violation):	**Fine Amount:** 1st Notice $50.00 2nd Notice $75.00 3rd Notice $100.00 4th Notice $125.00
Continuous Violation: Continuous Violation Notice (escalation of above)	**Fine Amount:** TBD – Board's discretion

§ The Board reserves the right to adjust these fine amounts based on the severity and/or frequency of the violation.

SCHEDULE OF SHORT-TERM RENTAL FINES

The Board has adopted the following schedule of fines for short-term rental violations. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Documents. The Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Board also reserves the right to set fine amounts on a case-by-case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

SHORT-TERM RENTAL FINES §:

New Violation: Notice of Violation	**Fine Amount:** $150.00
Repeat Violation:	**Fine Amount:** 1st Notice $175.00 per day 2nd Notice $200.00 per day 3rd Notice $250.00 per day 4th Notice $300.00 per day
Continuous Violation: Continuous Violation Notice (escalation of above)	**Fine Amount:** TBD – Board's discretion

§ The Board reserves the right to adjust these fine amounts based on the severity and/or frequency of the violation.

EXHIBIT A

HEARING BEFORE THE BOARD

Note: An individual will act as the presiding hearing officer. The hearing officer will provide introductory remarks and administer the hearing agenda.

I. Introduction:

Hearing Officer. The Board has convened for the purpose of providing owner an opportunity to be heard regarding a notice of violation of the Documents sent by the Association.

The hearing is being conducted as required by Section 209.007(a) of the Texas Property Code, and is an opportunity for owner to discuss, verify facts, and attempt to resolve the matter at issue. The Board may be able to resolve the dispute at the hearing or the Board may elect to take the matter under advisement and conclude the hearing. If the matter is taken under advisement, a final decision will be communicated in writing within fifteen (15) days.

II. Presentation of Facts:

Hearing Officer. This portion of the hearing is to permit a representative of the Association the opportunity to describe the violation and to present photographs or other material relevant to the violation, fines or penalties. After the Association's representative has finished his or her presentation, the owner or its representative will be given the opportunity to present photographs or other material relevant to the violation, fines or penalties. The Board may ask questions during either party's presentation. It is requested that questions by owner be held until completion of the presentation by the Association's representative.

[Presentations]

III. Discussion:

Hearing Officer. This portion of the hearing is to permit the Board and owner to discuss factual disputes relevant to the violation. Discussion regarding any fine or penalty is also appropriate. Discussion should be productive and designed to seek, if possible, a mutually agreed upon resolution of the dispute. The Hearing Officer retains the right to conclude this portion of the hearing at any time.

IV. Resolution:

Hearing Officer. This portion of the hearing is to permit discussion between the Board and owner regarding the final terms of a mutually agreed upon resolution, if such resolution was agreed upon during the discussion phase of the hearing. If no mutually agreed upon resolution was reached, the Hearing Officer may: (i) request that the Board enter into executive session to discuss the matter; (ii) request that the Board take the matter under advisement and adjourn the hearing; or (iii) adjourn the hearing.