THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.

POLICY MANUAL

I, certify that I am duly elected, qualified and acting as the President of The Reserves At Skyline Mountain Homeowners Association, Inc., a Texas non-profit corporation (the Association) and this is a true and correct copy of the current The Reserves At Skyline Mountain Homeowners Association, Inc. **POLICY MANUAL** that was adopted by the Board of Directors of the Association.

_____

Jason Carothers, President Date

IN WITNESS WHEREOF, the undersigned has executed this certificate on the _____ day of _____, 2017 by , President for The Reserves At Skyline Mountain Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

[SEAL]

_____

Notary Public Signature

This document is cross referenced to **Declaration of Conditions and Restrictions of The Reserves At Skyline Mountain and can be found in the deed records of Bell County, Texas: Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882** ,Official Public Records of Bell County, Texas as amended.

In the event of any conflicts between the terms and provisions of the Restrictions (set out above) or any polices adopted by the Board prior to the effective date of this instrument, the terms and provisions of this instrument shall control.

THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC. POLICY MANUAL

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PART I THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC. SOLAR ENERGY DEVICE POLICY ENERGY EFFICIENT ROOFING POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain, a Subdivision in Bell County, Texas recorded: Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882, Official Public Records of Bell County, Texas as amended;

Note: Texas statutes presently render null and void any restriction in the Declaration which prohibits the installation of solar energy devices or energy efficient roofing on a residential lot. The Board and or the Architectural Review Committee (the "ARC"), under the Declaration has adopted this policy in lieu of any express prohibition against solar devices or energy efficient roofing, or any provision regulating such matters which conflict with Texas law as set forth in the Declaration.

A. DEFINITIONS AND GENERAL PROVISIONS

1. Solar Energy Device Defined: A "Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar generated energy. The term includes a mechanical or chemical device that has the ability to store solar generated energy for use in heating, cooling or in the production of power.

2. Energy Efficiency Roofing Defined: As used in this policy, "Energy Efficiency Roofing" means shingles that are designed primarily to be wind and hail resistant. They provide heating and cooling efficiencies greater than those provided by customary composite shingles or provide solar generation capabilities.

3. Architectural Review Approval Required: Approval by the Architectural Review Committee (the "ARC"), under the Declaration is required prior to installing a solar energy device or energy efficient roofing. Written application is required which may be obtained via the management company's website. The ARC is not responsible for:

    a. Errors in or omissions in the application submitted to the ARC for approval.
    b. Supervising installation or construction to confirm compliance with an approved application.
    c. The compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. SOLAR ENERGY DEVICE PROCEDURES AND REQUIREMENTS

During any development period under the terms and provisions of the Declaration, the ARC established under the Declaration need not adhere to the terms and provisions of this Solar Energy Device Policy and may approve, deny or further restrict the installation of any solar energy device. A development period continues for so long as the Declarant has reserved the right to facilitate the development, construction, size, shape, composition and marketing of the community.

1. Approval Application: To obtain ARC approval of a solar energy device, the Owner shall provide the ARC with the following information:

    a. The proposed installation location of the solar energy device.
    b. A description of the solar energy device, including the dimensions, manufacturer and photograph or other accurate depiction.
    c. A solar application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the solar application.

2. Approval Process: The decision of the ARC will be made within a reasonable time or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. The ARC will approve a solar energy device if the solar application complies with Article VIII below UNLESS the ARC makes a written determination that placement of the solar energy device, despite compliance with Section Article VIII, will create a condition that substantially interferes with the use and enjoyment of the property within the community by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The ARC's right to make a written determination in accordance with the foregoing sentence is negated if all Owners of property immediately adjacent to the Owner/applicant provide written approval of the proposed placement. Notwithstanding the foregoing provision, a solar application submitted to install a solar energy device on property owned or maintained by the Association or property owned in common by members of the Association will not be approved despite compliance with Section Article VIII. Any proposal to install a solar energy device on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering any such request.

    Each Owner is advised that if the solar application is approved by the ARC, installation of the solar energy device must:

    a. Strictly comply with the solar application
    b. Commence within thirty (30) days of approval
    c. Be diligently prosecuted to completion

    If the Owner fails to cause the solar energy device to be installed in accordance with the approved solar application, the ARC may require the Owner to:

a. Modify the solar application to accurately reflect the solar energy device installed on the property
b. Remove the solar energy device and reinstall the device in accordance with the approved solar application.

Failure to install a solar energy device in accordance with the approved solar application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ARC to resubmit a solar application or remove and relocate a solar energy device in accordance with the approved solar application shall be a the Owner's sole cost and expense.

3. Approval Conditions: Unless otherwise approved in advance and in writing by the ARC, each solar application and each solar energy device to be installed in accordance therewith must comply with the following:

    a. The solar energy device must be located on the roof of the residence located on the Owner's lot, entirely within a fenced area of the Owner's lot, or entirely within a fenced patio located on the Owner's lot.
    b. If the solar energy device will be located on the roof of the residence, the ARC may designate the location for placement unless the location proposed by the Owner increases the estimated annual energy production of the solar energy device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than ten percent (10%), above the energy production of the solar energy device if installed in the location designated by the ARC. If the Owner desires to contest the alternate location proposed by the ARC, the Owner should submit information to the ARC which demonstrates that the Owner's proposed location meets the foregoing criteria.
    c. The solar energy device may not extend higher than or beyond the roofline.
    d. The solar energy device must conform to the slope of the roof and the top edge of the solar device must be parallel to the roofline.
    e. The frame, support brackets, visible piping or wiring associated with the solar energy device must be silver, bronze or black.
    f. If the solar energy device will be located in the fenced area of the Owner's lot or patio, no portion of the solar energy device may extend above the fence line.

C. ENERGY EFFICIENT ROOFING

The ARC will not prohibit an Owner from installing energy efficient roofing provided that the energy efficient roofing shingles:

a. Resemble the shingles used or otherwise authorized for use within the community.
b. Are more durable than, and are of equal or superior quality to the shingles used or otherwise authorized for use within the community.
c. Match the aesthetics of adjacent property.

An owner who desires to install energy efficient roofing will be required to comply with the architectural review and approval procedures set forth in the Declaration. In conjunction with any such approval process, the Owner should submit information which will enable the ARC to confirm the criteria set forth in the previous paragraph.

PART II THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
RAINWATER HARVESTING SYSTEM POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain , a Subdivision in Bell County, Texas recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882,, Official Public Records of Bell County, Texas as amended.

Note: Texas statutes presently render null and void any restriction in the Declaration which prohibits the installation of rain barrels or a rainwater harvesting system on a residential lot. The Board and or the Architectural Review Committee (the "ARC"), under the Declaration has adopted this policy in lieu of any express prohibition against rain barrels or rainwater harvesting systems, or any provision regulating such matters which conflict with Texas law as set forth in the Declaration.

A. ARCHITECTURAL REVIEW APPROVAL

1. Approval Required: Approval by the ARC is required prior to installing rain barrels or rainwater harvesting system on a residential lot. The ARC is not responsible for:

    a. Errors in or omissions in the application submitted to the ARC for approval.
    b. Supervising installation or construction to confirm compliance with an approved application.
    c. The compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. RAINWATER HARVESTING SYSTEM PRODCEDURES AND REQUIREMENTS

1. Approval Application: To obtain ARC approval of a rainwater harvesting system, the Owner shall provide the ARC with the following information:

    a. The proposed installation location of the rainwater harvesting system.
    b. A description of the rainwater harvesting system, including the color, dimensions, manufacturer and photograph or other accurate depiction.
    c. A rain system application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the rain system application.

2. Approval Process: The decision of the ARC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A rain system application submitted to install a rainwater harvesting system on property owned or maintained by the Association or property owned or maintained in common by members of the Association will not be approved. Any proposal to install a rainwater harvesting system on property owned or maintained by the Association or property owned or maintained in common by members of the Association must be approved in advance and in writing by the Board and the Board need not adhere to this policy when considering any such request.

   Each Owner is advised that if the rain system application is approved by the ARC, installation of the rainwater harvesting system must:

   a. Strictly comply with the rain system application.
   b. Commence within thirty (30) days of approval.
   c. Be diligent to completion.

   If the Owner fails to cause the rain system application to be installed in accordance with the approved rain system application, the ARC may require the Owner to:

   a. Modify the rain system application to accurately reflect the rain system device installed on the property.
   b. Remove the rain system device and reinstall the device in accordance with the approved rain system application.

   Failure to install a rain system device in accordance with the approved rain system application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ARC to resubmit a rain system application or remove and relocate a rain system device in accordance with the approved rain system shall be at the Owner's sole cost and expense.

3. Approval Conditions: Unless otherwise approved in advance and in writing by the ARC, each rain system application and each rain system device to be installed in accordance therewith must comply with the following:

   a. The rain system device must be consistent with the color scheme of the residence constructed on the Owner's lot, as reasonably determined by the ARC.
   b. The rain system device does not include any language or other content that is not typically displayed on such a device.
   c. The rain system device is in no event located between the front of the residence constructed on the Owner's lot and any adjoining or adjacent street.
   d. There is sufficient area on the Owner's lot to install the rain system device, as reasonably determined by the ARC.

e. If the rain system device will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another Owner's property, the ARC may regulate the size, type, shielding of and materials used in the construction of the rain system device.

4. Guidelines for Certain Rain System Devices: If the rain system device will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another Owner's property, the ARC may regulate the size, type, shielding of and materials used in the construction of the rain system device. Accordingly, when submitting a rain device application, the application should describe methods proposed by the Owner to shield the rain system device from the view of any street, common area, or another Owner's property. When reviewing a rain system application for a rain system device that will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another Owner's property, any additional regulations imposed by the ARC to regulate the size, type, shielding of and materials used in the construction of the rain system device, may not prohibit the economic installation of the rain system device, as reasonably determined by the ARC.

PART III THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC. FLAG DISPLAY AND FLAGPOLE INSTALLATION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain, a Subdivision in Bell County, Texas recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882, Official Public Records of Bell County, Texas as amended.

Note: Texas statutes presently render null and void any restriction in the Declaration which restricts or prohibits the display of certain flags or the installation of certain flagpoles on a residential lot in violation of the controlling provisions of Section 202.011 of the Texas Property Code or any Federal or other applicable State law. The Board and or the Architectural Review Committee (the "ARC"), under the Declaration has adopted this policy in lieu of any express prohibition against certain flags and flagpoles, or any provision regulating such matters which conflict with Texas law as set forth in the Declaration.

A. ARCHITECTURAL REVIEW APPROVAL

1. Approval Not Required: In accordance with the general guidelines set forth in this policy, an Owner is permitted to display the flag of the United States of America, the official flag of any US state or territory, an official or replica flag of any branch of the United States Military, or one (1) flag with official insignia of a college or university ("permitted flag"), and permitted to install a flagpole no more than five feet (5') in length affixed to the front of a residence near the principal entry or affixed to the rear of a residence ("permitted flagpole"). Only two (2) permitted flagpoles are allowed per residence. A permitted flag or permitted flagpole need not be approved in advance by the ARC under the declaration. All seasonal flags less than five feet (5') in length are not subject to approval.

2. Approval Required: Approval by the ARC is required prior to installing vertical freestanding flagpoles installed in the front or back yard area of any residential lot ("freestanding flagpole"). The ARC is not responsible for:

    a. Errors in or omissions in the application submitted to the ARC for approval.
    b. Supervising installation or construction to confirm compliance with an approved application.
    c. The compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. PROCEDURES AND REQUIREMENTS

1. Approval Application: To obtain ARC approval of any freestanding flagpole, the Owner shall proved the ARC with the following information:
    a. The location of the flagpole to be installed on the property.
    b. The type of flagpole to be installed.
    c. The dimensions of the flagpole.
    d. The proposed materials of the flagpole.
    e. A Flagpole application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the flagpole application.

2. Approval Process: The decision of the ARC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A flagpole application submitted to install a freestanding flagpole on property owned or maintained by the Association or property owned in common by members of the Association will not be approved. Any proposal to install a freestanding flagpole on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering any such request.

    Each Owner is advised that if the flagpole application is approved by the ARC, installation of the freestanding flagpole must:

    a. Strictly comply with the flagpole application.
    b. Commence within thirty (30) days of approval.
    c. Be diligent to completion.

    If the Owner fails to cause the freestanding flagpole to be installed in accordance with the approved flagpole application, the ARC may require the Owner to:

    a. Modify the flagpole application to accurately reflect the freestanding flagpole installed on the property.
    b. Remove the freestanding flagpole and reinstall the flagpole in accordance with the approved flagpole application.

    Failure to install a freestanding flagpole in accordance with the approved flagpole application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ARC to resubmit a flagpole application or remove and relocate a freestanding flagpole in accordance with the approved flagpole application shall be at the Owner's sole cost and expense.

3. Installation, Display and Approval Conditions: Unless otherwise approved in advance and in writing by the ARC, permitted flags, permitted flagpoles and freestanding flagpoles, installed in accordance with the flagpole application, must comply with the following:

a. No more than one (1) freestanding flagpole or no more than two (2) permitted flagpoles are permitted per residential lot, on which only permitted flags may be displayed.
b. Any permitted flagpole must be no longer than five feet (5') in length and any free standing flagpole must be no more than twenty feet (20') in height.
c. Any permitted flag displayed on any flagpole may not be more than three feet in height by five feet in width (3'x5').
d. With the exception of flags displayed on common area owned and/or maintained by the Association and any lot which is being used for marketing purposes by a builder, the flag of the United States of America must be displayed in accordance with 4 U.S.C. Sections 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
e. The display of a flag, or the location and construction of the flagpole must comply with all applicable zoning ordinances, easements and setbacks of record.
f. Any flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling.
g. A flag or a flagpole must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed.
h. Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which shall not be aimed towards or directly affect any neighboring property.
i. Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

PART IV THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
DISPLAY OF CERTAIN RELIGIOUS ITEMS POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain, a Subdivision in Bell County, Texas recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882,, Official Public Records of Bell County, Texas as amended.

A. DISPLAY OF CERTAIN RELIGIOUS ITEMS PERMITTED

An Owner or resident is permitted to display or affix to the entry of the Owner's or resident's dwelling one or more religious items, the display of which is motivated by the Owner's or resident's sincere religious belief. This Policy outlines the standards which shall apply with respect to the display or affixing of certain religious items on the entry to the Owner's or resident's dwelling.

B. GENERAL GUIDELINES

Religious items may be displayed or affixed to an Owner or resident's entry door or door frame of the Owner or resident's dwelling; provided, however, that individually or in combination with each other, the total size of the display is no greater than twenty-five square inches (5" x 5" = 25 square inches).

C. PROHIBITIONS

1. No religious item may be displayed or affixed to an Owner or resident's dwelling that:

    a. Threatens the public health or safety.
    b. Violates applicable law.
    c. Contains language, graphics or any display that is patently offensive.

2. Nothing in this Policy may be construed in any manner to authorize an Owner or resident to use a material or color for an entry door or door frame of the Owner or resident's dwelling or make an alteration to the entry door or door frame that is not otherwise permitted pursuant to the Association's governing documents.

D. REMOVAL

The Association may remove any item which is in violation of the terms and provisions of this Policy.

PART V THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
FINE AND ENFORCEMENT POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain , a Subdivision in Bell County, Texas recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882, Official Public Records of Bell County, Texas as amended.

A. BACKGROUND

The Reserves At Skyline Mountain is subject to that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain, a Subdivision in Bell County, Texas recorded in: Document No. 2012-2743 Official Public Records of Bell County, Texas, as amended and supplemented thereto ("Declaration"). In accordance with the Declaration, The Reserves At Skyline Mountain Homeowners Association, Inc., a Texas non-profit corporation (the "Association"), was created to administer the terms and provisions of the Declaration. Unless the Declaration or applicable law expressly provides otherwise, the Association acts through a majority of its Board of Directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, Bylaws and any rules and regulations of the Association (collectively, the "Restrictions"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Declaration and the obligations of the Owners to compensate the Association for costs incurred by the Association for enforcing violations of the Restrictions.

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 the 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 the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

1. Policy: The Association uses fines to discourage violations of the Restrictions 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 Restrictions. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.

2. Owner's Liability: An Owner is liable for fines levied by the Association for violations of the Restrictions 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 violation to the Owner.

3. 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 Restrictions. 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.

4. Violation Notice: Before levying a fine, the Association will give the Owner a written violation notice and an opportunity to be heard. This requirement may not be waived. The Association's written violation notice will contain the following items:

    a. The date the violation notice is prepared or mailed.
    b. A description of the violation.
    c. A reference to the rule or provision that is being violated.
    d. A description of the action required to cure the violation.
    e. The time frame in which the violation is required to be cured.
    f. The amount of the fine.
    g. A statement that not later than the thirtieth (30^{th}) day after the date of the violation notice, the Owner may request a hearing before the Board to contest the violation.
    h. The date the fine attaches or begins accruing subject to the following:

        i. New Violation: If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the notice will state a specific time frame by which the violation must be cured to avoid the fine. The notice must state that any future violation of the same rule may result in the levy of a fine.
        ii. Repeat Violation: In the case of a repeat of the same or similar violation of which the Owner was previously notified and the violation was cured within the preceding six (6) month time period, the notice will state that because the Owner was given notice and a reasonable opportunity to cure the same or similar violation but the violation has occurred again, the fine attaches from the date of the expiration of the cure period in the violation notice.
        iii. Continuous Violation: If an Owner has been notified of either a new violation or a repeat violation in the manner and for the fine amounts as set forth in the schedule of fines below and the Owner has <u>never</u> cured the violation in response to either the notices or the fines, in its sole discretion, the Board 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. The fine shall begin accruing upon the expiration of the cure period in the violation notice informing the Owner of the Board's decision and amount of fine and the Owner's failure and/or refusal to cure as requested.

5. Violation Hearing: An Owner may request in writing a hearing before the Board to contest the fine. To request a hearing before the Board, the Owner must submit a written request to the Association's manager (or the Board if there is no manager), within thirty (30) days after the date of the violation notice. Within fifteen (15) days after the Owner's request for a hearing, the Association will give the Owner at least fifteen (15) days advance notice of the date, time and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine. The hearing 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 may attend the hearing in person, or may be represented by another person or written communication. If an Owner intends to make an audio 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 violation notice 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.

6. Levy of Fine: Within thirty (30) days after levying the fine, the Board must give the Owner notice of the levied fine. If the fine is levied at the hearing at which the Owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the Owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the Owner periodic written notices of an accruing fine or the application of an Owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.

7. Collection of Fines: The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.

8. 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. The notice may be published and distributed in an Association newsletter or other community wide publication.

B. FINES

The Board has adopted a general schedule of fines. The number of notices set forth does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Restrictions. 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.

C. SCHEDULE OF FINES

New Violation	**Fine Amount**
1st Notice	Warning
2nd Notice	$50.00 per notice
3rd Notice	$100.00 per notice
4th Notice	$100.00 per notice
Each Subsequent Notice	$100.00 per notice

(Ten [10] day maximum per notice)

Repeat Violation	**Fine Amount**
1st Notice	$100.00 per notice
2nd Notice	$200.00 per notice
3rd Notice	$200.00 per notice
4th Notice	$200.00 per notice
Each Subsequent Notice	$200.00 per notice

(Ten [10] day maximum per notice)

Continuous Violation	**Fine Amount**
Final Notice	Amount TBD

PART VI THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
HEARING BEFORE THE BOARD POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain , a Subdivision in Bell County, Texas recorded in: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882. Official Public Records of Bell County, Texas as amended.

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

A. INTRODUCTION

1. Hearing Officer: The Board has convened for the purpose of hearing an appeal by_____ from the penalties imposed by the Association for a violation(s) of the Restrictions. The hearing is being conducted as required by Section 209.007 (a) of the Texas Property Code and is an opportunity for the appealing party to discuss, verify facts, and resolve the matter at issue. The Board would like to resolve the dispute at this hearing. However, the Board may elect to take the appeal 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.

B. PRESENTATION OF FACTS

1. 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 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 the appealing party be held until completion of the presentation by the Association's representative.

   [Presentations]

C. DISCUSSION

1. Hearing Officer: This portion of the hearing is to permit the Board and the 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, an acceptable resolution of the dispute. The Hearing Officer retains the right to conclude this portion of the hearing at any time.

D. RESOLUTION

1. Hearing Officer: This portion of the hearing is to permit discussion between the Board and the appealing party regarding the final terms of the settlement if a resolution was agreed upon during the discussion phase of the hearing.

2. If no settlement was agreed upon, the Hearing Officer may:

    a. Request that the Board enter into executive session to discuss the matter.
    b. Request that the Board take the matter under advisement and adjourn the hearing.
    c. Adjourn the hearing.

PART VII THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCATION, INC.
ASSESSMENT AND COLLECTION POLICY

The Reserves At Skyline Mountain is a community (the "Community") created by and subject to the Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882,, Official Public Records of Bell County, Texas, and any amendments or supplements thereto ("Declaration"). The operation of the Community is vested in The Reserves At Skyline Mountain Association, Inc., (the "Association"), acting through its board of directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, the Bylaws and rules of the Association (collectively, the "Restrictions"), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Declaration.

The Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of Assessment levied pursuant to the Restrictions. Terms used in this policy but not defined shall have the meaning subscribed to such term in the Restrictions.

A. DELIQUENCIES, LATE CHARGES & INTEREST

1. Due Date: An Owner will timely and fully pay Assessments. Regular Assessments are assessed annually and are due and payable on the first calendar day of the month at the beginning of the fiscal year, or in such other manner as the Board may designate in its sole and absolute discretion.

2. Delinquent: Any 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.

3. Late Fees & Interest**:** If the Association does not receive full payment of an Assessment by 5:00 p.m. after the due date established by the Board, the Association may levy a late fee of $25 per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date therefore (or if there is no such highest rate, then at the rate of 6% per annum) until paid in full.

4. Liability for Collection Costs: The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.

5. Insufficient Funds: The Association may levy a charge of $35 for any check returned to the Association marked "not sufficient funds" or the equivalent.

6. Waiver: Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board.

B. INSTALLMENTS & ACCELERATION

If an Assessment, other than a Regular 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, other than a Regular 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.

C. PAYMENTS

1. 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:

    a. Delinquent assessments
    b. Current assessments
    c. Attorney fees and costs associated with delinquent assessments
    d. Other attorney's fees
    e. Fines
    f. Any other amount

2. Payment Plans. The Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months and a maximum term of eighteen (18) 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. 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. 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 C-1.

3. Form of Payment**:** The Association may require that payment of delinquent Assessments be made only in the form of cash, cashier's check, or certified funds.

4. 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 attaches 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.

5. 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.

6. 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.

D. LIABILITY FOR COLLECTION COSTS

The defaulting Owner may be liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

E. COLLECTION PROCEDURES

1. 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 managing agent, an attorney, or a debt collector.

2. Delinquency Notices: If the Association has not received full payment of an Assessment by the due date, the Association may send written notice of non-payment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. 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.

3. 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.

4. Collection Agency: The Board may employ or assign the debt to one or more collection agencies.

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

6. Notification of Credit Bureau: The Association may report the defaulting Owner to one or more credit reporting services.

7. Collection by Attorney: If the Owner's account remains delinquent for a period of ninety (90) days, the manager of the Association or the Board of the Association shall refer the delinquent account to the Association's attorney for collection. In the event an account is referred to the Association's 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 attorney, the Association's attorney will provide the following notices and take the following actions unless otherwise directed by the Board:

    a. Initial Notice: Preparation of the Initial Notice of demand for Payment Letter. If the account is not paid in full within 30 days (unless such notice has previously been provided by the Association, then
    b. Lien Notice: Preparation of the Lien Notice of Demand for Payment Letter and record a Notice of Unpaid Assessment Lien. If the account is not paid in full within 30 days, then
    c. Final Notice: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose and Notice of Intent to Foreclose to Lender. If the account is not paid in full within 30 days, then
    d. Foreclosure of Lien: Only upon specific approval by a majority of the Board.

8. Notice of Lien: The Association's attorney 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.

    a. 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.
    b. Suspension of Use of Certain Facilities or Services: The Board may suspend the use of the Common Area amenities by an Owner, or his tenant whose account with the Association is delinquent for at least thirty (30) days.

F. GENERAL PROVISIONS

1. Independent Judgment: Notwithstanding the content 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.

2. Other Rights: This policy is in addition to and does not detract from the rights of the Association to collect Assessments under the Association's Restrictions and the laws of the State of Texas.

3. Limitations 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 Restrictions 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.

4. Notices: Unless the Restrictions, applicable law, or this policy provide otherwise, any notice *or*

5. Delivery: 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 residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.

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

PART VIII THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
RECORDS INSPECTION, COPYING AND RETENTION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain, a Subdivision in Bell County, Texas recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882, Official Public Records of Bell County, Texas as amended.

A. 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.

1. 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 cost 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 date 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.

2. 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.
    c. Provide written notice that the Association cannot produce the documents within the ten (10), days along with either:

i. Another date within an additional fifteen (15) days on which the records may either be inspected or by which the copies will be sent to the Owner.
ii. After a diligent search, the requested records are missing and cannot be located.

B. GENERAL RETENTION INSTRUCTIONS

"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. below), a retention period starts on the last day of the year in which the record is created and ends on the last day of the year of the retention period. For example, if a record is created on June 14, 2012, and the retention period is five (5) years, the retention period begins on December 31, 2012 and ends on December 31, 2017. 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.

The Association shall keep the following records for at least the time periods stated below:

1. Permanent: The Articles of Incorporation or the Certificate of Formation, the Bylaws, the Declaration, any and all other governing documents, guidelines, rules, regulations, policies and all amendments thereto recorded in the property records to be effective against any Owner and/or Member of the Association.

2. 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.

3. 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.

4. Seven (7) Years: Minutes of all meetings of the Board and the Owners.

5. Seven (7) Years: Financial books and records produced in the ordinary course of business, tax returns and audits of the Association.

6. 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.

7. 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.
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.

8. 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.

PART IX THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
TEXAS ADMINISTRATIVE CODE
TITLE 1, PART 3, CHAPTER 70
RULE §70.3 CHARGES FOR PROVIDING COPIES OF PUBLIC INFORMATION

A. CHARGES

The charges in this section to recover costs associated with providing copies of public information are based upon 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 - $.50 (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper – see also §70.9 of this title)
    m. Specialty paper – actual cost (e.g.: mylar, blueprint, blueline, map, photographic)

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 $28.30 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 §552261 (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 per 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 fifty (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.
    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.
    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 fifty (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 two (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, 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 three (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 fifty (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 twenty percent (20%) of the charge made to cover any labor costs associated with a particular request. See the following examples below based upon one (1) hour of labor:

    a. Labor charge for locating, compiling and reproducing - $15.00 x .20 = $3.00.
    b. Programming labor charge - $28.50 x .20 = $5.70.
    c. If a request requires one (1) hour of labor charge for locating, compiling and reproducing information ($15), and one (1) hour of programming labor charge ($28.50), 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 have 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 fifty (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 section (D) (1) of this section.

H. COMPUTER RESOURCE CHARGE

1. The computer resource charge is a utilization charge for computers based upon 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 upon 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. See the following types of system rates below:

    a. Mainframe - $10.00 per CPU minute.
    b. Midsize - $1.50 per CPU minute.
    c. Client/server - $2.20 per clock hour.
    d. 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 printout time. See the following example below:

a. If a mainframe computer is used and the processing time is 20 seconds, the charges would be as follows: $10.00 / 3 = $3.33; or $10.00 / 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.
6. 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.

7. 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.

8. 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 0, §3.341 and §3.342).

9. 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.

Note: All charges are subject to periodic reevaluation and update.

Source Note: The provisions of this §70.3 adopted to be effective September 18, 1996, 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

PART X THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC. STATUTORY NOTICE OF POSTING AND RECORDATION OF ASSOCIATION GOVERNING DOCUMENTS

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain, a Subdivision in Bell County. Texas recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882,, Official Public Records of Bell County, Texas as amended.

A. DEDICATORY INSTRUMENTS

As set forth in Texas Property Code Section 202.001, "dedicatory instrument" means each document governing the establishment, maintenance or operation of a residential subdivision, planned unit dev elopement, condominium or townhouse regime, or any similar planned development. The term includes the declaration or similar instrument subjecting real property to:

1. Restrictive covenants, bylaws, or similar instruments governing the administration or operation of a property Owners' Association,

2. Properly adopted rules and regulations of the property Owners' Association.

3. All lawful amendments to the covenants, bylaws, instruments, rules, or regulations, or as otherwise referred to in this notice as the "governing documents".

4. Recordation of all Governing Documents: The Association shall file all of the governing documents in the real property records of each county in which the property to which the documents relate is located. Any dedicatory instrument comprising one of the governing documents 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,

5. Online Posting of Governing Documents: The Association shall make all of the governing documents relating to the Association or subdivision and filed in the county deed records, available on a website if the Association has, or a management company on behalf of the Association maintains, a publicly accessible website.

PART XI THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
STATUTORY NOTICE OF CONDUCT OF BOARD MEETING

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions for The Reserves At Skyline Mountain , a Subdivision in Bell County, Texas, recorded :Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882,, Official Public Records of Bell County, Texas, as amended.

Note: Texas statues presently render null and void any restriction in the Declaration which restricts or prohibits open board meetings and other conduct related to board meetings in violation of the controlling provisions of the Texas Property Code or any other applicable state law.

A. DEFINITION OF BOARD MEETINGS

1. As set forth in Texas Property Code Section 209.0051, "board meeting" means:

    a. A deliberation between a quorum of the Board, or between a quorum of the Board and another person, during which Association business is considered and the Board takes formal action; but does not include:
    b. The gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance by a quorum of the Board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

B. OPEN BOARD MEETINGS

1. All regular and special Board meetings must be open to Owners. However, the Board has the right to adjourn a meeting and reconvene in closed executive session to consider actions involving:

    a. Personnel
    b. Pending or threatened litigation
    c. Contract negotiations
    d. Enforcement actions

e. Confidential communications with the Association's attorney
f. Matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board.

2. Following an executive session, any decision made by the Board in executive session must be summarized orally in general terms and placed in the minutes, without breaching the privacy of individual Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

C. LOCATION

Except if otherwise held by electronic or telephonic means, a Board meeting must be held in the county in which all or a part of the property in the subdivision is located or in a county adjacent to that county, as determined in the discretion of the Board.

D. RECORD/MINUTES

The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Board.

E. NOTICES

1. 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:

    a. Mailed to each property Owner not later than the tenth (10^{th}) day or earlier than the sixtieth (60^{th}) day before the date of the meeting; or
    b. Provided at least seventy-two (72) hours before the start of the meeting by:

        i. Posting the notice in a conspicuous manner reasonably designed to provide notice to Association members in a place located on the Association's common area property or on any website maintained by the Association.
        ii. Sending the notice by email to each Owner who has registered an email address with the Association.

2. It is an Owner's duty to keep an updated email address registered with the Association. The Board may establish a procedure for registration of email addresses, which procedure may be required for the purpose of receiving notice of Board meetings.

3. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this section.

4. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner as set forth above within two (2) hours after adjourning the meeting being continued.

F. MEETING WITHOUT PRIOR NOTICE

1. A Board may meet by any method of communication, including electronic and telephonic, without prior notice to Owners if each director may hear and be heard and may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action taken without notice to Owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, without prior notice to Owners under Paragraph 5 above consider or vote on:

    a. Fines
    b. Damage assessments
    c. Initiation of foreclosure actions
    d. Initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety
    e. Increases in assessments
    f. Levying of special assessments
    g. Appeals from a denial of the Architectural Review Committee (the "ARC")
    h. A suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue

G. DEVELOPMENT PERIOD

1. The provisions of this policy do not apply to Board meetings during the "development period" (as defined in the declaration) unless the meeting is conducted for the purpose of:

    a. Adopting or amending the governing documents, including declarations, bylaws, rules, and regulations of the Association
    b. Increasing the amount of regular assessments

c. Electing non-developed Board members of the Association or establishing a process by which those members are elected.
d. Changing the voting rights of members of the Association.

PART XII THE RESERVES AT SKYLINE MOUNTAIN HOMEOWNERS ASSOCIATION, INC.
STATUTORY NOTICE OF ANNUAL MEETING, ELECTIONS AND VOTING POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions for The Reserves At Skyline Mountain, a Subdivision in Bell County, Texas recorded: : Vol. 3051 Pg. 513; Vol. 3100 Pg. 293; Vol. 3059 Pg. 513; Vol. 3059 Pg. 518; Vol. 3121 Pg. 620 ;Vol. 3133 Pg. 338; Vol. 3144 Pg. 51; Vol. 3214 Pg. 123 ;Vol. 3214 Pg. 127; Vol. 3417 Pg. 435; Vol. 3457 Pg. 64; Vol. 3457 Pg. 65; Vol. 3496 Pg. 313; Vol. 3496 Pg. 317; Vo.. 3504 Pg. 439; Vol. 3517 Pg. 290; Vol. 3517 Pg. 294; Vol. 3738 Pg. 511; Vol. 4066 Pg. 210; Vol. 5377 Pg. 429; Vol. 5377 Pg. 433; Vol. 5591 Pg. 388; Vo. 5721 Pg. 265; Vo. 5994 Pg. 882, Official Public Records of Bell County, Texas as amended.

Note: Texas statutes presently render null and void any restriction in the Declaration which restricts or prohibits annual meetings, certain election requirements, voting processes and other conduct related to annual meetings, elections and voting in violation of the controlling provisions of the Texas Property Code or any other applicable state law.

A. MEETINGS

1. Annual Meetings Mandatory: As set forth in Texas Property Code Section 209.014, the Association is required to call an annual meeting of the Members of the Association.

B. ELECTIONS

1. Notice of Election or Association Vote: The Association must:

    a. Mail a notice to each property owner no later than the tenth (10^{th}) day or earlier than the sixtieth (60^{th}) day before the date of the meeting.

    b. Provide at least seventy two (72) hours before the start of the meeting by posting the notice in a conspicuous manner reasonably designed to provide notice to property Owners Association Members:

        i. In a place located on the Association's common or property with the property Owner's consent, on other conspicuously located privately owned property within the subdivision.
        ii. On any Internet website maintained by the Association or other Internet media.

iii. By sending the notice by email to each Owner who has registered an email address with the Association. (It is an Owner's duty to keep an updated email address registered with the property Owner's Association).

2. Election of Board Members: Except during any development period established in the Declaration (see paragraph 9 below), any Board Member whose term has expired must be elected by Owners in the Association. A Board Member may be appointed by the Board only to fill a vacancy caused by a resignation, death, or disability. A Board Member appointed to fill a vacant position shall serve the unexpired term of the predecessor Board Member.

3. Eligibility for Board Membership: Except during any development period established in the Declaration (see paragraph 9 below), the Association may not restrict an Owner's right to run for a position on the Board. If the Board is presented with written and documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board Member has been convicted of a felony or crime involving moral turpitude, the Board Member is then immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

C. VOTING

1. Right to Vote: Except during any development period established in the Declaration (see paragraph 9 below), any provision in the Association's governing documents that would disqualify an Owner from voting in an Association election of Board Members or on any matter concerning the rights or responsibilities of the Owner is void.

2. Voting Quorum: The voting rights of an Owner may be cast or given:

    a. In person or by proxy at a meeting of the Association.
    b. By absentee ballot.
    c. By electronic ballot.
    d. By any method of representative or delegated voting provided by the Associations governing documents.

3. Written Ballots: 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-wide election, written and signed ballots are not required for uncontested races.

4. Meaning of Electronic Ballot: Notwithstanding any contrary provision in the governing document of the Association, "electronic ballot" means a ballot:

    a. Given by email, facsimile or posting on a website.
    b. For which the identity of Owner submitting the ballot can be confirmed.

c. For which the Owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot.

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.

5. Absentee or Electronic Ballots: An absentee or electronic ballot:

   a. May be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot.
   b. 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.
   c. 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.

6. Solicitation of Votes by Absentee Ballot: Any solicitation for votes by absentee ballot must include:

   a. An absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action.
   b. Instructions for delivery of the completed absentee ballot, including the delivery location.
   c. The following language: "*By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in person vote will prevail."*

7. Tabulation of and Access to Ballots: A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election or vote. A person tabulating votes in an Association election or vote may not disclose to any other person how an individual voted.

8. Recount of Votes: Any Owner may, not later than the fifteenth (15^{th}) day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either:

a. By certified mail, return receipt requested, or by delivery by the U.S. Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest management certificate.
b. In person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed.

The Owner requesting the recount will be required to pay, in advance, expenses associated with the recount as estimated by the Association. Any recount must be performed on or before the thirtieth (30^{th}) day after the date of receipt of a request and payment for a recount is submitted to the Association for a vote tabulator as set forth below:

a. Vote tabulator: At the expense of the Owner requesting the recount, the Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who:

    i. Is not a Member of the Association Board within the third degree by consanguinity or affinity.
    ii. Is either a person agreed upon by the Association and any person requesting a recount, or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.
b. Reimbursement for Recount Expenses: If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount to the extent such costs were previously paid by the Owner to the Association. The Association shall provide the results of the recount to each Owner who requested the recount.
c. Board Action: Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

9. Development Period: The Declaration may provide for a period of declarant control of the Association during which a declarant, or persons designated by the declarant, may appoint and remove Board Members and the Officers of the Association, other than the Board Members or Officers elected by Members of the Property Association.