

Kaufman County  
Laura Hughes  
County Clerk

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STATE OF TEXAS  
COUNTY OF KAUFMAN

I hereby certify that this instrument was filed on the date and time stamped hereon by me  
and was duly recorded in the Official Public Records of Kaufman County, Texas.

*Laura A. Hughes*

Laura Hughes, County Clerk

Recorded By: Maribel Vazquez, Deputy

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED  
REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER  
FEDERAL LAW.

**Record and Return To:**

WINSTEAD PC - AUSTIN  
401 CONGRESS AVENUE, SUITE 21  
AUSTIN, TX 78701



AFTER RECORDING RETURN TO:  
Kristi E. Stotts, Esq.  
Winstead PC  
401 Congress Ave., Suite 2100  
Austin, Texas 78701  
Email: [kstotts@winstead.com](mailto:kstotts@winstead.com)



## HIGHBRIDGE COMMUNITY MANUAL

LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership, as the Declarant under Kingsborough South Development Area Declaration [Residential] [Highbridge] recorded under Document No. 2020-0008657, Official Public Records of Kaufman County, Texas (the "Development Area Declaration"), and the initial and sole member of Highbridge Homeowners Association, Inc., a Texas non-profit corporation (the "Highbridge Association"), certifies that the foregoing Highbridge Community Manual was adopted as part of the initial project documentation for the Lots subject to the Development Area Declaration. This Highbridge Community Manual becomes effective when Recorded.

IN WITNESS WHEREOF, the undersigned has executed this Highbridge Community Manual on the 31st day of March, 2020. \_\_\_\_\_

### DECLARANT:

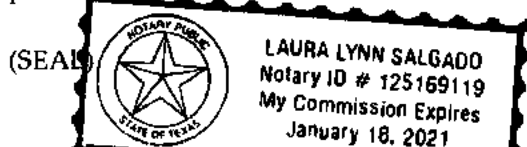
LENNAR HOMES OF TEXAS LAND AND  
CONSTRUCTION, LTD.,  
a Texas limited partnership

By: U.S. Home Corporation,  
a Delaware corporation, its general partner

By: Jennifer Eller  
Printed Name: Jennifer Eller  
Title: Authorized Agent

THE STATE OF TEXAS §  
COUNTY OF Dallas §

This instrument was acknowledged before me on March 31st, 2020 by Jennifer Eller as Authorized Agent of U.S. Home Corporation, a Delaware corporation, the general partner of LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership, on behalf of said entities.



[Signature]  
Notary Public Signature

Cross-reference to Kingsborough South Development Area Declaration [Residential] [Highbridge] recorded under Document No. 2020-0008657, Official Public Records of Kaufman County, Texas, as the same may be amended from time to time.  
4841-8216-9779v.1 54969-33

**HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.**

**HIGHBRIDGE COMMUNITY MANUAL**

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**ATTACHMENT 1**

**CERTIFICATE OF FORMATION**

**CERTIFICATE OF FORMATION  
OF  
HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.**

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a nonprofit corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE I  
NAME**

The name of the corporation is Highbridge Homeowners Association, Inc. (hereinafter called the "**Highbridge Association**").

**ARTICLE II  
NONPROFIT CORPORATION**

The Highbridge Association is a nonprofit corporation.

**ARTICLE III  
DURATION**

The Highbridge Association shall exist perpetually.

**ARTICLE IV  
PURPOSE AND POWERS OF THE HIGHBRIDGE ASSOCIATION**

The Highbridge Association is organized in accordance with, and shall operate for nonprofit purposes, pursuant to the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. In furtherance of its purposes, the Highbridge Association shall have the following powers which, unless indicated otherwise by this Certificate of Formation, that certain Kingsborough South Development Area Declaration [Residential] [Highbridge], recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time (the "**Development Area Declaration**"), the Highbridge Bylaws, or Applicable Law, may be exercised by the Highbridge Board:

(a) all rights and powers conferred upon nonprofit corporations by Applicable Law;

(b) all rights and powers conferred upon property associations by Applicable Law, in effect from time to time, provided, however, that the Highbridge Association shall not have the power to institute, defend, intervene in, settle or compromise proceedings (i) in the name of any Highbridge Member or Owner (whether one or more); or (ii) pertaining to a Claim, as defined in *Section 8.1(i)* of the Development

Area Declaration relating to the design or construction of Improvements on a Lot (whether one or more).

(c) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Highbridge Association as set out in this Certificate of Formation, the Highbridge Bylaws, the Development Area Declaration, or Applicable Law.

Notwithstanding any provision in *Article XIV* to the contrary, any proposed amendment to the provisions of this *Article IV* shall be adopted only upon an affirmative vote of Highbridge Members holding one-hundred percent (100%) of the total number of votes of the Highbridge Association and the Declarant.

Terms used but not defined in this Certificate of Formation, shall have the meaning subscribed to such terms in the Development Area Declaration.

#### **ARTICLE V REGISTERED OFFICE; REGISTERED AGENT**

The street address of the initial registered office of the Highbridge Association is 401 Congress Avenue, Suite 2100, Austin, Texas 78701. The name of its initial registered agent at such address is Kristi E. Stotts.

#### **ARTICLE VI MEMBERSHIP**

Membership in the Highbridge Association shall be dependent upon ownership of a qualifying property interest as defined and set forth in the Development Area Declaration. Any person or entity acquiring such a qualifying property interest shall automatically become a member of the Highbridge Association, and such membership shall be appurtenant to, and shall run with, the property interest. The foregoing shall not be deemed or construed to include persons or entities holding an interest merely as security for performance of an obligation. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the qualifying property interest, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage, or alienation shall be void.

#### **ARTICLE VII VOTING RIGHTS**

Voting rights of the members of the Highbridge Association shall be determined as set forth in the Development Area Declaration.

**ARTICLE VIII  
INCORPORATOR**

The name and street address of the incorporator is:

NAME

Kristi E. Stotts

ADDRESS

401 Congress Avenue, Suite 2100  
Austin, Texas 78701

**ARTICLE IX  
HIGHBRIDGE ASSOCIATION BOARD OF DIRECTORS**

The affairs of the Highbridge Association shall be managed by an initial Board of Directors consisting of three (3) individuals, who need not be members of the Highbridge Association. The Highbridge Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors of nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Highbridge Association may be changed by amendment of the Highbridge Bylaws. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

NAME

Jack Rowe

ADDRESS

1707 Market Place Blvd., Suite 310  
Irving, Texas 75063

Kyle Dickerson

1707 Market Place Blvd., Suite 310  
Irving, Texas 75063

Yasmine Shahbazi

1707 Market Place Blvd., Suite 310  
Irving, Texas 75063

All of the powers and prerogatives of the Highbridge Association shall be exercised by the Board of Directors named above until their successors are elected or appointed in accordance with the Development Area Declaration.

**ARTICLE X  
LIMITATION OF DIRECTOR LIABILITY**

A member of the Board of Directors of the Highbridge Association shall not be personally liable to the Highbridge Association for monetary damages for any act or omission in his capacity as a board member, except to the extent otherwise expressly provided by Applicable Law. Any repeal or modification of this *Article X* shall be prospective only, and shall not adversely affect any limitation of the personal liability of a member of the Board of Directors existing at the time of the repeal or modification.

## **ARTICLE XI INDEMNIFICATION**

Each person who acts as a member of the Board of Directors, officer or committee member of the Highbridge Association shall be indemnified by the Highbridge Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his or her being or having been a member of the Board of Directors, officer, or committee member of the Highbridge Association, or by reason of any action alleged to have been taken or omitted by him or her in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in *Section 3.7* of the Development Area Declaration.

## **ARTICLE XII DISSOLUTION**

The Highbridge Association may be dissolved with the written and signed assent of not less than ninety percent (90%) of the total number of votes of the Highbridge Association, as determined under the Development Area Declaration. Upon dissolution of the Highbridge Association, other than incident to a merger or consolidation, the assets of the Highbridge Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Highbridge Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

## **ARTICLE XIII ACTION WITHOUT MEETING**

Any action required or permitted by Applicable Law to be taken at a meeting of the Highbridge Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by the Highbridge Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all the Highbridge Members entitled to vote thereon were present. If the action is proposed by the Highbridge Association, the Board of Directors shall provide each member of the Highbridge Association written notice at least ten (10) days in advance of the date the Board of Directors proposes to initiate securing consent as contemplated by this *Article XIII*. Consents obtained pursuant to this *Article XIII* shall be dated and signed within sixty (60) days after receipt of the earliest dated consent and delivered to the Highbridge Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Highbridge Association and shall have the same force and effect as a vote of the Highbridge Members at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Highbridge Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

**ARTICLE XIV  
AMENDMENT**

Except as otherwise provided by the terms and provisions of *Article IV* of this Certificate of Formation, this Certificate of Formation may be amended by the Declarant during the Development Period or by a Majority of the Highbridge Board; provided, however, that any amendment to this Certificate of Formation by a Majority of the Highbridge Board must be approved in advance and in writing by the Declarant during the Development Period.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Kristi E. Stotts, Incorporator

## **ATTACHMENT 2**

### **BYLAWS OF HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.**

#### **ARTICLE I INTRODUCTION**

The name of the corporation is Highbridge Homeowners Association, Inc., a Texas non-profit corporation, hereinafter referred to as the "**Highbridge Association**". The principal office of the Highbridge Association shall initially be located in Kaufman County, Texas, but meetings of Highbridge Members and Directors may be held at such places within the State of Texas, County of Kaufman, as may be designated by the Highbridge Board as provided in these Bylaws.

The Highbridge Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain **Kingsborough South Development Area Declaration [Residential] [Highbridge]**, recorded in the Official Public Records of Kaufman County, Texas (the "Development Area Declaration"), including the number, qualification, appointment, removal, and replacement of Directors.

#### **ARTICLE II DEFINITIONS**

Capitalized terms used but not defined in these Bylaws shall have the meaning subscribed to such terms in the Development Area Declaration.

#### **ARTICLE III MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

**Section 3.1. Membership.** Each Owner of a Lot is a mandatory member of the Highbridge Association, as more fully set forth in the Development Area Declaration.

**Section 3.2. Place of Meetings.** Meetings of the Highbridge Association shall be held where designated by the Highbridge Board, either within the Development Area or as convenient as possible and practical.

**Section 3.3. Annual Meetings.** There shall be an annual meeting of the Highbridge Members of the Highbridge Association for the purposes of Highbridge Association-wide elections or votes and for such other Highbridge Association business at such reasonable place, date and time as set by the Highbridge Board.

**Section 3.4. Special Meetings.** Special meetings of Members may be called in accordance with Section 22.155 of the Texas Business Organizations Code or any successor statute.

**Section 3.5. Notice of Meetings.** Written or printed notice stating the place, day, and hour of any meeting of the Highbridge Members shall be delivered, either personally or by mail, to each Highbridge Member entitled to vote at such meeting or by publication in a newspaper of general circulation, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting. In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Highbridge Member at his address as it appears on the records of the Highbridge Association, with postage prepaid. If an election or vote of the Highbridge Members will occur outside of a meeting of the Highbridge Members (*i.e.*, absentee or electronic ballot), then the Highbridge Association shall provide notice to each Highbridge Member no later than the 20<sup>th</sup> day before the latest date on which a ballot may be submitted to be counted.

**Section 3.6. Waiver of Notice.** Waiver of notice of a meeting of the Highbridge Members shall be deemed the equivalent of proper notice. Any Highbridge Member may, in writing, waive notice of any meeting of the Highbridge Members, either before or after such meeting. Attendance at a meeting by a Highbridge Member shall be deemed a waiver by such Highbridge Member of notice of the time, date, and place thereof, unless such Highbridge Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting by a Highbridge Member shall be deemed a waiver of notice of all business transacted at such meeting unless an objection by a Highbridge Member on the basis of lack of proper notice is raised before the business is put to a vote.

**Section 3.7. Quorum.** Except as provided in these Bylaws or in the Development Area Declaration, the presence of the Highbridge Members representing ten percent (10%) of the total votes in the Highbridge Association shall constitute a quorum at all Highbridge Association meetings. The Highbridge Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Highbridge Members to leave less than a quorum, provided that Highbridge Members representing at least five percent (5%) of the total votes in the Highbridge Association remain in attendance, and provided that any action taken is approved by at least a Majority of the votes present at such adjourned meeting, unless otherwise provided in the Development Area Declaration.

**Section 3.8. Conduct of Meetings.** The President or any other person appointed by the Highbridge Board shall preside over all Highbridge Association meetings, and the Secretary, or the Secretary's designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

**Section 3.9. Voting.** The voting rights of the Highbridge Members shall be as set forth in the Development Area Declaration, and such voting rights provisions are specifically incorporated by reference. Except as otherwise provided in the Development Area Declaration, action may be taken at any legally convened meeting of the Highbridge Members upon the affirmative vote of the Highbridge Members having a Majority of the total votes present at such meeting in person or proxy or by absentee ballot or electronic ballot, if such votes are considered present at the meeting as further set forth herein. Cumulative voting shall not be allowed. The person holding legal title to a Lot shall be entitled to cast the vote allocated to such Lot and not the person merely holding beneficial title to the same unless such right is expressly delegated to the beneficial Owner thereof in writing. Any provision in the Highbridge

Association's governing documents that would disqualify an Owner from voting in a Highbridge Association election of members of the Highbridge Board or on any matter concerning the rights or responsibilities of the Owner is void.

**Section 3.10. Methods of Voting: In Person; Proxies; Absentee Ballots; Electronically.** On any matter as to which a Highbridge Member is entitled individually to cast the vote for his Lot such vote may be cast or given: (a) in person or by proxy at a meeting of the Highbridge Association; (b) by absentee ballot; (c) by electronic ballot; or (d) by such other means as may be permitted by law and as adopted by the Highbridge Board. Any vote cast in an election or vote by a Highbridge Member of the Highbridge Association must be in writing and signed by the Highbridge Member. Electronic votes constitute written and signed ballots. In a Highbridge Association election, written and signed ballots are not required for uncontested races. Votes shall be cast as provided in this Section:

(A) **Proxies.** Any Highbridge Member may give a revocable written proxy in the form as prescribed by the Highbridge Board from time to time to any person authorizing such person to cast the Highbridge Member's vote on any matter. A Highbridge Member's vote by proxy is subject to any limitations of Texas law relating to the use of general proxies and subject to any specific provision to the contrary in the Development Area Declaration or these Bylaws. No proxy shall be valid unless signed by the Highbridge Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Highbridge Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than eleven (11) 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 a Highbridge Member 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 Highbridge Member attends any meeting to vote in person, so that any vote cast at a meeting by a Highbridge Member 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 Highbridge Board member election is not considered an amendment to the proposal for the election.

(1) **Absentee Ballots.** No absentee ballot shall be valid unless it is in writing, signed by the Highbridge Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Highbridge 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. Any solicitation for votes by absentee ballot must include:

- (i) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;

- (ii) instructions for delivery of the completed absentee ballot, including the delivery location; and
- (iii) 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."*

(2) **Electronic Ballots.** "Electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of the Highbridge Member submitting the ballot can be confirmed; and (c) for which the Highbridge Member may receive a receipt of the electronic transmission and receipt of the Highbridge Member's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each Highbridge Member that contains instructions on obtaining access to the posting on the website.

**Section 3.11. Tabulation of and Access to Ballots.** A person who is a candidate in a Highbridge Association election or who is otherwise the subject of a Highbridge 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 except such person may be given access to the ballots cast in the election or vote as part of a recount process. A person tabulating votes in a Highbridge Association election or vote or who performs a recount pursuant to Section 3.12 may not disclose to any other person how an individual voted. Notwithstanding any provision of these Bylaws to the contrary, only a person who tabulates votes pursuant to this Section or performs a recount pursuant to Section 3.12 shall be given access to any Highbridge Association ballots.

**Section 3.12. Recount of Votes.** Any Highbridge Member (the "Recount Requesting Member") may, not later than the fifteenth (15<sup>th</sup>) day after the later of the date of any meeting of Highbridge Members at which an election or vote was held, or the date of the announcement of the results of the election or vote, require a recount of the votes (the "Recount Request"). A Recount Request must be submitted in writing either: (i) by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, with signature confirmation service to the Highbridge Association's mailing address as reflected on the latest management certificate; or (ii) in person to the Highbridge Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The Recount Requesting Member shall be required to pay, in advance, expenses associated with the recount as estimated by the Highbridge Association, pursuant to subsection (a) below.

(a) **Cost of Recount.** The Highbridge Association shall estimate the costs for performing the recount by a person qualified to tabulate votes under subsection (b), and no later than the 20<sup>th</sup> day after the date the Highbridge Association receives the Recount Request, shall send an invoice for the estimated costs (the "Initial Recount Invoice") to the Recount Requesting Member at the Recount Requesting Member's last known address according to the Highbridge Association's records. The Recount Requesting Member must pay the Initial Recount Invoice in full to the Highbridge Association on or

before the 30<sup>th</sup> day after the date the Initial Recount Invoice was delivered to the Recount Requesting Member (the "Deadline"). If the Initial Recount Invoice is not paid by the Recount Requesting Member by the Deadline, the Recount Requesting Member's Recount Request shall be considered withdrawn and the Highbridge Association shall not be required to perform a recount. If the Initial Recount Invoice is paid by the Recount Requesting Member by the Deadline, then on or before the 30<sup>th</sup> day after the date of receipt of payment of the Invoice, the recount must be completed and the Highbridge Association must provide each Recount Requesting Member with notice of the results of the recount. If the recount changes the results of the election, the Highbridge Association shall reimburse the Recount Requesting Member for the cost of the recount not later than the 30<sup>th</sup> day after the date the results of the recount are provided. If the recount does not change the results of the election, and the estimated costs included on the Initial Recount Invoice are either lesser or greater than the actual costs of the recount, the Highbridge Association shall send a final invoice (the "Final Recount Invoice") to the Recount Requesting Member on or before the 30<sup>th</sup> business day after the date the results of the recount are provided. If the Final Recount Invoice reflects that additional amounts are owed by the Recount Requesting Member, the Recount Requesting Member shall remit such additional amounts to the Highbridge Association immediately. Any additional amounts not paid to the Highbridge Association by the Recount Requesting Member before the 30<sup>th</sup> business day after the date the Final Recount Invoice is sent may be charged as an Individual Highbridge Assessment against the Recount Requesting Member. If the costs estimated in the Initial Recount Invoice costs exceed the amount reflected in the Final Recount Invoice, then the Recount Requesting Member shall be entitled to a refund, which such refund shall be paid at the time the Final Recount Invoice is delivered pursuant to this Section.

(b) Vote Tabulator. Following receipt of payment of the Initial Recount Invoice, the Highbridge Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Highbridge Association shall enter into a contract for the services of a person who: (i) is not a Highbridge Member or related to a member of the Highbridge Board within the third degree by consanguinity or affinity; and (ii) is either a person agreed on by the Highbridge Association and each person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.

(c) Highbridge Board Action. Any action taken by the Highbridge Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

**Section 3.13. Action without a Meeting.** Any action required or permitted by law to be taken at a meeting of the Highbridge Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Highbridge Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Highbridge Members entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated, and delivered to the Highbridge Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Highbridge Association and shall have the same force and effect as a vote of the Highbridge Members at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Highbridge Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

## **ARTICLE IV HIGHBRIDGE BOARD OF DIRECTORS**

### **Section 4.1. Authority; Number of Directors.**

(a) The affairs of the Highbridge Association shall be governed by the Highbridge Board of Directors. The number of Directors shall be fixed by the Highbridge Board from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Highbridge Certificate. The initial Directors shall serve until their successors are appointed or elected and qualified.

(b) In accordance with *Section 3.3* of the Development Area Declaration, within one hundred and twenty (120) days after seventy-five percent (75%) of the Maximum Number of Lots have been made subject to the terms and provisions of the Development Area Declaration and have been conveyed to Owners other than the Declarant or a Homebuilder, Declarant will appoint and remove all members of the Highbridge Board. Within one hundred and twenty (120) days after seventy-five percent (75%) of the Maximum Number of Lots have been made subject to the terms and provisions of the Development Area Declaration and have been conveyed to Owners other than the Declarant or a Homebuilder, the Highbridge Board will call a meeting of Members of the Highbridge Association for the purpose of electing one-third (1/3) of the Highbridge Board (the "Initial Member Election Meeting") which Highbridge Board member(s) must be elected by Owners other than the Declarant. Declarant may appoint and remove two-thirds (2/3) of the Highbridge Board from and after the Initial Member Election Meeting until expiration or termination of the Development Period. The individuals elected to the Highbridge Board at the Initial Member Election Meeting shall be elected for a one (1) year term and shall serve until his or her successor is elected or he or she is replaced in accordance with these Bylaws.

(c) At the expiration or termination of the Development Period, the Declarant will thereupon call a meeting of the Highbridge Members where the Declarant appointed Directors will resign and the Highbridge Members will elect three (3) new directors (to replace all Declarant appointed Directors and the Initial Member Elected Director) (the "Member Election Meeting"), one (1) Director for a three (3) year term, one (1) Director for a two (2) year term, and one (1) Director for a one (1) year term (with the individual receiving the highest number of votes to serve the three (3) year term, the individual receiving the next highest number of votes to serve the two (2) year term, and the individual receiving the third highest number of votes to serve a one (1) year term). Upon expiration of the term of a Director elected by the Highbridge Members pursuant to this *Section 4.1(c)*, his or her successor will be elected for a term of three (3) years.

(d) A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed.

(e) Each Director, other than Directors appointed by Declarant, shall be a Highbridge Member. In the case of corporate, partnership, or other entity ownership of a Lot, the Director must be a duly authorized agent or representative of the corporation, the partnership, or other entity which owns the Lot. Other than as set forth in this subparagraph (e), the Highbridge Association may not restrict an Owner's right to run for a position on the Highbridge Board.

**Section 4.2. Compensation.** The Directors shall serve without compensation for such service.

**Section 4.3. Nominations to Highbridge Board of Directors.** Highbridge Members may be nominated for election to the Highbridge Board in either of the following ways:

(a) A Highbridge Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Highbridge Board a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Highbridge Board.

**Section 4.4. Vacancies on Highbridge Board.** Except with respect to Directors appointed by the Declarant, if the office of any elected Director shall become vacant by reason of death, resignation, or disability, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Highbridge Board shall select the successor. At the expiration of the term of his position on the Highbridge Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws. Except with respect to Directors appointed by the Declarant, any Highbridge Board member whose term has expired or who has been removed from the Highbridge Board must be elected by the Highbridge Members.

**Section 4.5. Removal of Directors.** Subject to the right of Declarant to nominate and appoint Directors as set forth in *Section 4.1* of these Bylaws, an elected Director may be removed, with or without cause, by the Majority of the Highbridge Members which elected such Director.

**Section 4.6. Solicitation of Candidate for Election to the Highbridge Board.** At least thirty (30) days before the date a Highbridge Association disseminates absentee ballots or other ballots to Highbridge Members for the purpose of voting in a Highbridge Board election, the Highbridge Association shall provide notice (the "Solicitation Notice") of the election to the Highbridge Members. The Solicitation Notice shall: (a) solicit candidates that are eligible under *Section 4.1(e)* and interested in running for a position on the Highbridge Board; (b) state that an eligible candidate has fifteen (15) days to respond to the Solicitation Notice and request to be placed on the ballot; and (c) must be: (1) mailed to each Highbridge Member; (2) e-mailed to each Highbridge Member that has registered their e-mail address with the Highbridge Association; or (3) posted in a conspicuous manner reasonably designed to provide notice to Highbridge Members, such as: (i) within common area or, with the Highbridge Member's consent, on other conspicuously located privately owned property within the subdivision; or (ii) on any website maintained by the Highbridge Association or other internet media.

## ARTICLE V MEETINGS OF DIRECTORS

**Section 5.1. Development Period.** The provisions of this *Article V* do not apply to Highbridge Board meetings during the Development Period (as defined in the Development Area Declaration) during which period the Highbridge Board may take action by unanimous written consent in lieu of a meeting pursuant to *Section 5.10*, except with respect to a meeting conducted for the purpose of: (a) adopting or amending the Highbridge Documents (*i.e.*, declarations, bylaws, rules, and regulations); (b) increasing the amount of Regular Highbridge Assessments of the Highbridge Association or adopting

or increasing a Special Highbridge Assessment; (c) electing non-Declarant Highbridge Board members or establishing a process by which those members are elected; or (d) changing the voting rights of Highbridge Members.

**Section 5.2. Definition of Highbridge Board Meetings.** A meeting of the Highbridge Board means a deliberation between a quorum of the Highbridge Board, or between a quorum of the Highbridge Board and another person, during which Highbridge Association business is considered and the Highbridge Board takes formal action.

**Section 5.3. Regular Meetings.** Regular meetings of the Highbridge Board shall be held annually or such other frequency as determined by the Highbridge Board, at such place and hour as may be fixed from time to time by resolution of the Highbridge Board.

**Section 5.4. Special Meetings.** Special meetings of the Highbridge Board shall be held when called by the President of the Highbridge Association, or by any two Directors, after not less than three (3) days' notice to each Director.

**Section 5.5. Quorum.** A Majority of the number of Directors shall constitute a quorum for the transaction of business. 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 Highbridge Board.

**Section 5.6. Open Highbridge Board Meetings.** All regular and special Highbridge Board meetings must be open to Owners. However, the Highbridge 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 Highbridge 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 Highbridge Board. Following an executive session, any decision made by the Highbridge Board in executive session must be summarized orally in general terms and placed in the minutes. The oral summary must include a general explanation of expenditures approved in executive session.

**Section 5.7. Location.** Except if otherwise held by electronic or telephonic means, a Highbridge Board meeting must be held in the county in which the Development Area is located or in a county adjacent to that county, as determined in the discretion of the Highbridge Board.

**Section 5.8. Record; Minutes.** The Highbridge Board shall keep a record of each regular or special Highbridge Board meeting in the form of written minutes of the meeting. The Highbridge Board shall make meeting records, including approved minutes, available to a Highbridge Member for inspection and copying on the Highbridge Member's written request to the Highbridge 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 Highbridge Board.

**Section 5.9. Notices.** Highbridge 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 Highbridge Member not later than the tenth (10<sup>th</sup>) day or earlier than the sixtieth (60<sup>th</sup>) 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 Highbridge Members in a place located on common area or on any website maintained by the Highbridge Association; and (ii) sending the notice by e-mail to each Highbridge Member who has registered an e-mail address with the Highbridge Association. It is the Highbridge Member's duty to keep an updated e-mail address registered with the Highbridge Association. The Highbridge Board may establish a procedure for registration of email addresses, which procedure may be required for the purpose of receiving notice of Highbridge Board meetings. If the Highbridge Board recesses a regular or special Highbridge Board meeting to continue the following regular business day, the Highbridge 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. If a regular or special Highbridge Board meeting is continued to the following regular business day, and on that following day the Highbridge Board continues the meeting to another day, the Highbridge 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.

**Section 5.10. Unanimous Consent.** During the Development Period, Directors may vote by unanimous written consent. Unanimous written consent occurs if all Directors individually or collectively consent in writing to a Highbridge Board action. The written consent must be filed with the minutes of Highbridge Board meetings. Action by written consent shall be in lieu of a meeting and has the same force and effect as a unanimous vote of the Directors. As set forth in *Section 5.1*, Directors may not vote by unanimous consent if the Directors are considering any of the following actions: (a) adopting or amending the Highbridge Documents (*i.e.*, declarations, bylaws, rules, and regulations); (b) increasing the amount of Regular Highbridge Assessments of the Highbridge Association or adopting or increasing a Special Highbridge Assessment; (c) electing non-Declarant Highbridge Board members or establishing a process by which those members are elected; or (d) changing the voting rights of Highbridge Members.

**Section 5.11. Meeting Without Prior Notice.** The Highbridge Board may take action outside a meeting, including voting by electronic or telephonic means, without prior notice to the Highbridge Members if each Highbridge Board member is given a reasonable opportunity (i) to express his or her opinions to all other Highbridge Board members and (ii) to vote. Any action taken without notice to Highbridge Members 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 Highbridge Board meeting. The Highbridge Board may not, unless done in an open meeting for which prior notice was given to the Highbridge Members pursuant to *Section 5.9* above, consider or vote on: (a) fines; (b) damage assessments; (c) the initiation of foreclosure actions; (d) the initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (e) increases in Highbridge Assessments; (f) levying of Special Highbridge Assessments; (g) appeals from a denial of architectural control approval; (h) a suspension of a right of a particular Highbridge Member before the Highbridge Member has an opportunity to attend a Highbridge Board meeting to present the Highbridge Member's position, including any defense, on the issue; (i) the lending or borrowing of money; (j) the adoption of any amendment of a dedicatory instrument; (k) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent (10%); (l) the sale or purchase of real property; (m) the filling of a vacancy on the Highbridge Board; (n) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (o) the election of an officer.

**Section 5.12. Telephone and Electronic Meetings.** Any action permitted to be taken by the Highbridge Board may be taken by telephone or electronic methods provided that: (1) each Highbridge

Board member may hear and be heard by every other Highbridge Board member; (2) except for any portion of the meeting conducted in executive session: (i) all Highbridge Members in attendance at the meeting may hear all Highbridge Board members; and (ii) any Highbridge Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a participating Highbridge Board member at the same meeting; and (3) the notice of the Highbridge Board meeting provides instructions to the Highbridge Members on how to access the electronic or telephonic communication method used in the meeting. Participation in such a meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## **ARTICLE VI**

### **POWERS AND DUTIES OF THE HIGHBRIDGE BOARD**

**Section 6.1. Powers.** The Highbridge Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Highbridge Association is authorized to take in accordance with the Development Area Declaration:

- (a) adopt, amend, revoke, record, and publish the Highbridge Rules;
- (b) exercise for the Highbridge Association all powers, duties and authority vested in or related to the Highbridge Association and not reserved to the membership by other provisions of the Highbridge Documents;
- (c) to enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Development Area;
- (d) declare the office of a member of the Highbridge Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Highbridge Board;
- (e) employ such employees as they deem necessary, and to prescribe their duties;
- (f) as more fully provided in the Development Area Declaration, to:
  - (1) fix the amount of the Highbridge Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Development Area Declaration; and
  - (2) foreclose the lien against any property for which Highbridge Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (g) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Highbridge Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Highbridge Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(h) procure and maintain adequate liability and hazard insurance on property owned by the Highbridge Association;

(i) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(j) exercise such other and further powers or duties as provided in the Development Area Declaration or by law.

## **ARTICLE VII OFFICERS AND THEIR DUTIES**

**Section 7.1. Enumeration of Offices.** The officers of the Highbridge Association shall be a President and a Vice-President, who shall at all times be members of the Highbridge Board, a Secretary and a Treasurer, and such other officers as the Highbridge Board may from time to time create by resolution.

**Section 7.2. Election of Officers.** The election of officers shall take place at the first meeting of the Highbridge Board following each annual meeting of the Highbridge Members.

**Section 7.3. Term.** The officers of the Highbridge Association shall be elected annually by the Highbridge Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

**Section 7.4. Special Appointments.** The Highbridge Board may elect such other officers as the affairs of the Highbridge Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Highbridge Board may, from time to time, determine.

**Section 7.5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Highbridge Board. Any officer may resign at any time by giving written notice to the Highbridge Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 7.6. Vacancies.** A vacancy in any office may be filled through appointment by the Highbridge Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

**Section 7.7. Multiple Offices.** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to *Section 7.4*.

**Section 7.8. Duties.** The duties of the officers are as follows:

(a) **President.** The President shall preside at all meetings of the Highbridge Board; shall see that orders and resolutions of the Highbridge Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Highbridge Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Highbridge Board and of the Highbridge Members; serve notice of meetings of the Highbridge Board and of the Highbridge Members; keep appropriate current records showing the Highbridge Members together with their addresses; and shall perform such other duties as required by the Highbridge Board.

(d) Assistant Secretaries. Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Highbridge Board or any committee established by the Highbridge Board.

(e) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Highbridge Association and shall disburse such funds as directed by resolution of the Highbridge Board; shall sign all checks and promissory notes of the Highbridge Association; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Highbridge Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Highbridge Members.

Section 7.9. Execution of Instruments. Except when the Highbridge Documents require execution of certain instruments by certain individuals, the Highbridge Board may authorize any person to execute instruments on behalf of the Highbridge Association, including without limitation checks from the Highbridge Association's bank account. In the absence of Highbridge Board designation, and unless otherwise provided herein, the President and the Secretary are the only persons authorized to execute instruments on behalf of the Highbridge Association.

#### **ARTICLE VIII OTHER COMMITTEES OF THE HIGHBRIDGE BOARD**

The Highbridge Board may, by resolution adopted by affirmative vote of a Majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Highbridge Board and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Highbridge Board.

#### **ARTICLE IX BOOKS AND RECORDS**

The books, records and papers of the Highbridge Association shall at all times, during reasonable business hours, be subject to inspection by any Highbridge Member. The Highbridge Documents shall be available for inspection by any Highbridge Member at the principal office of the Highbridge Association, where copies may be purchased at reasonable cost.

## **ARTICLE X HIGHBRIDGE ASSESSMENTS**

As more fully provided in the Development Area Declaration, each Highbridge Member is obligated to pay to the Highbridge Association Highbridge Assessments which are secured by a continuing lien upon the property against which the Highbridge Assessments are made. Highbridge Assessments shall be due and payable in accordance with the Development Area Declaration.

## **ARTICLE XI CORPORATE SEAL**

The Highbridge Association may, but shall have no obligation to, have a seal in a form adopted by the Highbridge Board.

## **ARTICLE XII AMENDMENTS**

These Bylaws may be amended by: (i) the Declarant until expiration or termination of the Development Period; or (ii) a Majority vote of the Highbridge Board with the advance written consent of the Declarant until expiration or termination of the Development Period.

## **ARTICLE XIII INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Highbridge Association shall indemnify every Director, Officer or Committee Member against, and reimburse and advance to every Director, Officer or Committee Member for, all liabilities, costs and expenses' incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Business Organizations Code and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director, Officer or Committee Member shall be indemnified for: (a) a breach of duty of loyalty to the Highbridge Association or its Highbridge Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director, Officer or Committee Member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director, Officer or Committee Member is expressly provided for by statute.

## **ARTICLE XIV MISCELLANEOUS**

**Section 14.1. Fiscal Year.** The fiscal year of the Highbridge Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**Section 14.2. Review of Statutes and Court Rulings.** Users of these Bylaws should also review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by these Bylaws.

**Section 14.3. Conflict.** In the case of any conflict between the Highbridge Certificate and these Bylaws, the Highbridge Certificate shall control; and in the case of any conflict between the Development

Area Declaration and these Bylaws, the Development Area Declaration shall control. In the case of any conflict between these Bylaws and any provision of the applicable laws of the State of Texas, the conflicting aspect of the Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect.

**Section 14.4. Interpretation.** The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions or articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

**Section 14.5. No Waiver.** No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

### ATTACHMENT 3

#### HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.

##### FINE AND ENFORCEMENT POLICY

1. **Background.** Certain Lots within Highbridge are subject to that certain Kingsborough South Development Area Declaration [Residential] [Highbridge] recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time ("Development Area Declaration"). In accordance with the Development Area Declaration, Highbridge Homeowners Association, Inc., a Texas non-profit corporation (the "Highbridge Association") was created to administer the terms and provisions of the Development Area Declaration. Unless the Development Area Declaration or Applicable Law expressly provides otherwise, the Highbridge Association acts through a majority of its board of directors (the "Highbridge Board"). The Highbridge Association is empowered to enforce the covenants, conditions and restrictions of the Development Area Declaration, Highbridge Certificate, Bylaws, Highbridge Community Manual, and any rules and regulations promulgated by the Highbridge Association pursuant to the Development Area Declaration, as each may be adopted and amended from time to time (collectively, the "Highbridge Documents"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Development Area Declaration and the obligations of the Owners to compensate the Highbridge Association for costs incurred by the Highbridge Association for enforcing violations of the Highbridge Documents.

The Highbridge Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within the Highbridge 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 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 Highbridge Documents.

2. **Policy.** The Highbridge Association uses fines to discourage violations of the Highbridge Documents, and to encourage compliance when a violation occurs – not to punish violators or generate revenue for the Highbridge 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 Highbridge Association for enforcing the Highbridge Documents. The Highbridge 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 Highbridge Association for violations of the Highbridge Documents by the Owner and the relatives, guests, employees, and agents of the Owner and residents. Regardless of who commits the violation, the Highbridge Association may direct all communications regarding the violation to the Owner.

4. Amount. The Highbridge 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 Highbridge 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 Highbridge Documents. If the Highbridge Association allows fines to accumulate, the Highbridge Association may establish a maximum amount for a particular fine, at which point the total fine will be capped.
5. Violation Notice. Except as set forth in Section 5(C) below, before levying a fine, the Highbridge Association will give (i) a written violation notice via certified mail to the Owner (at the Owner's last known address as shown in the Highbridge Association records) (the "Violation Notice") and (ii) an opportunity to be heard, if requested by the Owner. The Highbridge 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 Individual Highbridge Assessment, 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 (30<sup>th</sup>) 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 Highbridge Board, a statement notifying the Owner that he or she has the right to appeal the committee's decision to the Highbridge Board by written notice to the Highbridge 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 this 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 within 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 Highbridge Association shall have the right to exercise any enforcement remedy afforded to it under the Highbridge 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 Highbridge Association shall have the right to exercise any enforcement remedy afforded to it under the Highbridge Documents, including but not limited to the right to levy a fine pursuant to the *Schedule 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 Highbridge 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 Highbridge Board.

6. **Violation Hearing.** If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to the Highbridge Association for a hearing before the Highbridge Board or a committee appointed by the Highbridge 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 Highbridge Association's manager (or the Highbridge Board if there is no manager) within thirty (30) days after receiving the Violation Notice. The Highbridge Association must then hold the hearing requested no later than thirty (30) days after the Highbridge Board receives the Request. The Highbridge 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 Highbridge Board and the Owner to attend. The Highbridge 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 Highbridge 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 Highbridge Board will be held in a closed or executive session of the Highbridge Board. At the hearing, the Highbridge 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 (i.e., attorney) during the hearing, upon advance written notice to the Highbridge Board. 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 Highbridge 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 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 Highbridge 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 incurable 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 Highbridge Association, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Highbridge Board's final decision on the

matter, assuming that a fine or damage charge of some amount is confirmed by the Highbridge Board at such hearing.

8. **Lien Created.** The payment of each fine and/or damage charge levied by the Highbridge Board against the Owner of a Lot is, together with interest as provided in *Section 5.10* of the Development Area Declaration and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Highbridge Association pursuant to *Section 5.2.2* of the Development Area Declaration. The fine and/or damage charge will be considered a Highbridge Assessment for the purpose of this Article and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to *Article 5* of the Development Area Declaration.
9. **Levy of Fine.** Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices.
10. **Foreclosure.** The Highbridge Association may not foreclose its assessment lien on a debt consisting solely of fines.
11. **Amendment of Policy.** This policy may be revoked or amended from time to time by the Highbridge Board. This policy will remain effective until the Highbridge Association records an amendment to this policy in the county's official public records.

### Schedule of Fines

The Highbridge Board has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Highbridge Board is required to provide each notice prior to exercising additional remedies as set forth in the Highbridge Documents. The Highbridge Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Highbridge 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:

#### **FINES†:**

<b>New Violation: Notice of Violation</b>	<b>Fine Amount:</b>  \$25.00 (if a curable violation, may be avoided if Owner cures the violation by the time specified in the notice)
<b>Repeat Violation (No Right to Cure or Uncurable Violation):</b>	<b>Fine Amount:</b>  1st Notice     \$50.00 2nd Notice     \$75.00 3rd Notice     \$100.00 4th Notice     \$125.00
<b>Continuous Violation: Continuous Violation Notice</b>	<b>Amount TBD</b>

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

## **EXHIBIT A**

### **HEARING BEFORE THE HIGHBRIDGE 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 Highbridge Board has convened for the purpose of providing [Owner] an opportunity to be heard regarding a notice of violation of the Highbridge Documents sent by the Highbridge 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 Highbridge Board may be able to resolve the dispute at the hearing or the Highbridge 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 Highbridge Association the opportunity to describe the violation and to present photographs or other material relevant to the violation, fines or penalties. After the Highbridge 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 Highbridge 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 Highbridge Association's representative.

**[Presentations]**

#### **III. Discussion:**

**Hearing Officer.** This portion of the hearing is to permit the Highbridge 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 Highbridge 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 Highbridge Board enter into executive session to discuss the matter; (ii) request that the Highbridge Board take the matter under advisement and adjourn the hearing; or (iii) adjourn the hearing.

#### ATTACHMENT 4

#### HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC. ASSESSMENT COLLECTION POLICY

The Lots located within Highbridge is a community (the "**Community**") created by and subject to Kingsborough South Development Area Declaration [Residential] [Highbridge] recorded in the Official Public Records of Kaufman County, Texas, and any amendments or supplements thereto ("**Development Area Declaration**"). The operation of the Community is vested in Highbridge Homeowners Association, Inc. (the "**Highbridge Association**"), acting through its board of directors (the "**Highbridge Board**"). The Highbridge Association is empowered to enforce the covenants, conditions and restrictions of the Development Area Declaration, Highbridge Certificate, Bylaws, Highbridge Community Manual, and any rules and regulations promulgated by the Highbridge Association pursuant to the Development Area Declaration, as adopted and amended from time to time (collectively, the "**Highbridge Documents**"), including the obligation of Owners to pay Highbridge Assessments pursuant to the terms and provisions of the Highbridge Documents.

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

#### **Section 1. DELINQUENCIES, LATE CHARGES & INTEREST**

- 1-A. **Due Date.** An Owner will timely and fully pay Highbridge Assessments. Regular Highbridge 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 Highbridge Board may designate in its sole and absolute discretion.
- 1-B. **Delinquent.** Any Highbridge 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 Highbridge Association does not receive full payment of a Highbridge Assessment by 5:00 p.m. on the due date established by the Highbridge Board, the Highbridge 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 Highbridge Assessment from the due date thereof (or if there is no such highest 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 Highbridge 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 Highbridge Association in collecting the delinquency.
- 1-E. **Insufficient Funds.** The Highbridge Association may levy a charge of \$25 for any check returned to the Highbridge Association marked "not sufficient funds" or the equivalent.

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

## **Section 2. INSTALLMENTS & ACCELERATION**

If a Highbridge Assessment, other than a Regular Highbridge Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Highbridge Association may declare the entire Highbridge Assessment in default and accelerate the due date on all remaining installments of the Highbridge Assessment. A Highbridge Assessment, other than a Regular Highbridge Assessment, payable in installments may be accelerated only after the Highbridge Association gives the Owner at least fifteen (15) days prior notice of the default and the Highbridge Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Highbridge 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 Highbridge 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 Highbridge 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 attorney's fees |
| (2) Current assessments  | (5) Fines                 |
| (3) Attorney fees and costs associated with delinquent assessments | (6) Any other amount      |

- 3-B. Payment Plans. The Highbridge 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 Highbridge Association will determine the actual term of each payment plan offered to an Owner in its sole and absolute 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 Highbridge Association is not required to make a payment plan available to a Highbridge Member after the Delinquency Cure Period allowed under Paragraph 5-B expires. If an Owner is in default at the time the Owner submits a payment, the Highbridge Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

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

- 3-D. Partial and Conditioned Payment. The Highbridge 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 Highbridge Board's policy for applying

payments. The Highbridge Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Highbridge Association occurs when the Highbridge Association posts the payment to the Owner's account. If the Highbridge 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 Highbridge Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Highbridge Association of partial payment of delinquent Highbridge Assessments does not waive the Highbridge 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 Highbridge Association receives full payment of the delinquency after Recording a notice of lien, the Highbridge Association will cause a release of notice of lien to be publicly Recorded, a copy of which will be sent to the Owner. The Highbridge Association may require the Owner to prepay the cost of preparing and Recording the release.
- 3-F. Correction of Credit Report. If the Highbridge Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Highbridge 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 Highbridge 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.

#### **Section 5. COLLECTION PROCEDURES**

- 5-A. Delegation of Collection Procedures. From time to time, the Highbridge Association may delegate some or all of the collection procedures, as the Highbridge Board in its sole discretion deems appropriate, to the Highbridge Association's Manager, an attorney, or a debt collector.
- 5-B. Delinquency Notices. If the Highbridge Association has not received full payment of a Highbridge Assessment by the due date, the Highbridge 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 Highbridge Association, and (c) that the Owner has thirty (30) days for the Owner to cure the delinquency before further collection action is taken (the "Delinquency Cure Period"). The Highbridge Association's delinquency-related correspondence may state that if full payment is not timely received, the Highbridge Association may pursue any or all of the Highbridge Association's remedies, at the sole cost and expense of the defaulting Owner.
- 5-C. Verification of Owner Information. The Highbridge 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 Highbridge Board may employ or assign the debt to one or more collection agencies.
- 5-E. Notification of Mortgage Lender. The Highbridge Association may notify the Mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Highbridge Association may report the defaulting Owner to one or more credit reporting services.
- 5-G. Collection by Attorney. If the Owner's account remains delinquent for a period of ninety (90) days, the Manager of the Highbridge Association or the Highbridge Board shall refer the delinquent account to the Highbridge Association's attorney for collection. In the event an account is referred to the Highbridge Association's attorney, the Owner will be liable to the Highbridge Association for its legal fees and expenses. Upon referral of a delinquent account to the Highbridge Association's attorney, the Highbridge Association's attorney will provide the following notices and take the following actions unless otherwise directed by the Highbridge Board:
- (1) 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 Highbridge Association), then
  - (2) Lien Notice: Preparation of the Lien Notice and Demand for Payment Letter and Recordation of a Notice of Unpaid Highbridge Assessment Lien. If the account is not paid in full within 30 days, then
  - (3) 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
  - (4) Foreclosure of Lien: Only upon specific approval by a majority of the Highbridge Board.
- 5-H. Notice of Lien. The Highbridge Association's attorney may cause a notice of the Highbridge Association's Highbridge 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 Highbridge Board deems the debt to be uncollectible, the Highbridge Board may elect to cancel the debt on the books of the Highbridge Association, in which case the Highbridge Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.

## Section 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, Manager, and attorney of the Highbridge 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 detract from the rights of the Highbridge Association to collect Highbridge Assessments under the Highbridge Documents and the laws of the State of Texas.
- 6-C. Limitations of Interest. The Highbridge 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 Highbridge Documents or any other document or agreement executed or made in connection with this policy, the Highbridge 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 Highbridge 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 Highbridge Assessments, or reimbursed to the Owner if those Highbridge Assessments are paid in full.
- 6-D. Notices. Unless the Highbridge 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 Highbridge Association's records, or on personal delivery to the Owner. If the Highbridge 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 Occupant is deemed notice to all Occupants. Written communications to the Highbridge Association, pursuant to this policy, will be deemed given on actual receipt by the Highbridge Association's president, secretary, managing agent, or attorney.
- 6-E. Amendment of Policy. This policy may be amended from time to time by the Highbridge Board.

## ATTACHMENT 5

### HIGHBRIDGE 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 Kingsborough South Development Area Declaration [Residential] [Highbridge] recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time (the "Development Area Declaration").

Note: Texas statutes presently render null and void any restriction in the Development Area Declaration 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 Highbridge 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 Development Area Declaration.

1. Written Form. The Highbridge 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 Highbridge Association) may submit a written request via certified mail to the Highbridge Association's mailing address or authorized representative listed in the management certificate to access the Highbridge 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 Highbridge 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 Highbridge Association will require that the Owner remit such estimated amount to the Highbridge Association. The Highbridge Association will provide a final invoice to the Owner on or before the 30th business day after the records are provided by the Highbridge Association. If the final invoice includes additional amounts due from the requesting party, the additional amounts, if not reimbursed to the Highbridge Association before the 30th business day after the date the invoice is sent to the Owner, may be added to the Owner's account as a Highbridge 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 30th 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 Highbridge Association must either: (1) provide the copies to the Owner; (2) provide available inspection dates; or (3) provide written notice that the Highbridge 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 Highbridge Association shall keep the following records for at least the time periods stated below:

- a. **PERMANENT:** The Highbridge Certificate, the Bylaws and the Development Area Declaration, 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 Highbridge Association.
- b. **FOUR (4) YEARS:** Contracts with a term of more than one (1) year between the Highbridge 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 Highbridge Association, and written or electronic records related to the Owner and produced by the Highbridge Association in the ordinary course of business.
- d. **SEVEN (7) YEARS:** Minutes of all meetings of the Highbridge Board and the Owners.
- e. **SEVEN (7) YEARS:** Financial books and records produced in the ordinary course of business, tax returns and audits of the Highbridge Association.
- f. **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. above), 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, 2017, and the retention period is five (5) years, the retention period begins on December 31, 2017 and ends on December 31, 2022. 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 Highbridge Board, certain Highbridge 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 Highbridge Association (excluding invoices requested by an Owner pursuant to Texas Property Code Section 209.008(d)), are not records of the Highbridge 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 Highbridge Association would be responsive to a legally authorized request to inspect or copy Highbridge Association documents, the document shall be produced by using the copy from the

attorney's files and records if the Highbridge Association has not maintained a separate copy of the document. The Highbridge 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 Highbridge Board Member or Manager; No Removal.* At the discretion of the Highbridge Board or the Highbridge Association's Manager, certain records may only be inspected in the presence of a Highbridge Board member or employee of the Highbridge Association's Manager. No original records may be removed from the office without the express written consent of the Highbridge 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,  $\$15.00 \times .20 = \$3.00$ ; or Programming labor charge,  $\$28.50 \times .20 = \$5.70$ . 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:  $\$15.00 + \$28.50 = \$43.50 \times .20 = \$8.70$ .

(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  $\$10 / 60 \times 20 = \$3.33$ .

(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 6**

**HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.**  
**STATUTORY NOTICE OF POSTING AND RECORDATION OF**  
**HIGHBRIDGE ASSOCIATION GOVERNING DOCUMENTS**

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Kingsborough South Development Area Declaration [Residential] [Highbridge] recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time (the "Development Area Declaration").

1. **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 development, condominium or townhouse regime, or any similar planned development. The term includes the Development Area Declaration, 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 regulations 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 this notice and the Development Area Declaration as the "Highbridge Documents."

2. **Recordation of All Highbridge Documents.** The Highbridge Association shall file all of the Highbridge Documents in the real property records of each county in which the property to which the Highbridge Documents relate is located. Any dedicatory instrument comprising one of the Highbridge Documents of the Highbridge Association has no effect until the instrument is filed in accordance with this provision, as set forth in Texas Property Code Section 202.006.

3. **Online Posting of Highbridge Documents.** The Highbridge Association shall make all of the Recorded Highbridge Documents relating to the Highbridge Association or Development Area available on a website if the Highbridge Association, or a management company on behalf of the Highbridge Association, maintains a publicly accessible website.

**ATTACHMENT 7**

**HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.**  
**EMAIL REGISTRATION POLICY**

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Kingsborough South Development Area Declaration [Residential] [Highbridge] recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time.

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

2. **Email Registration.** Should the owner wish to receive any and all email notifications of annual and special meetings of members of the Highbridge Association, it is the owner's sole responsibility to register his/her email address with the Highbridge Association and to continue to keep the registered email address updated and current with the Highbridge 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 Highbridge Association's website, if any, and/or to the official contact information provided by the Highbridge Association for the community manager.

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

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