

2002-000005008

**Management Certificate  
(Texas Property Code Section 209.004)**

1. Name of Subdivision: **SOUTHERN PINES ADDITION, PHASE I**
2. Subdivision Recording Data: The plat of the Subdivision is recorded under County Clerk's File No. 2022-000003255, Official Public Records, Harrison County, Texas
3. Declaration Recording Data: The Declaration of Covenants, Conditions and Restrictions for Southern Pines Addition Phase 1 is recorded under County Clerk's File No. 2022-000004558, Official Public Records, Harrison County, Texas
4. Name of Association: **SOUTHERN PINES ADDITION HOMEOWNERS' ASSOCIATION, an unincorporated Texas non-profit association**
5. Association Governing Documents: Bylaws of Southern Pines Addition Homeowners' Association are attached as Exhibit "A," Guidelines for Alternative Payment Plans as Exhibit "B," Alternative Payment Plan Agreement as Exhibit "C," Document Retention Policy as Exhibit "D" and Records Production and Copying Policy as Exhibit "E"
6. Mailing Address of Association or Managing Agent: 203 Saddlebrook Circle  
Hallsville, Texas 75650

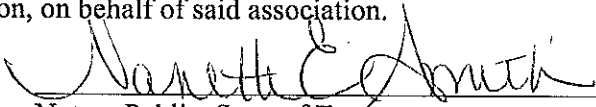
**SOUTHERN PINES ADDITION HOMEOWNERS' ASSOCIATION, an unincorporated Texas non-profit association**

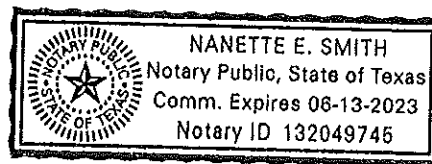
By: \_\_\_\_\_

*Gail Moore*  
Gail Moore, President

STATE OF TEXAS       §  
                                  §  
COUNTY OF GREGG   §

This instrument was acknowledged before me on the 13<sup>th</sup> day of April, 2022, by GAIL MOORE, President of SOUTHERN PINES ADDITION HOMEOWNERS' ASSOCIATION, an unincorporated Texas non-profit association, on behalf of said association.

  
\_\_\_\_\_  
Notary Public, State of Texas



**EXHIBIT "A"**

**BYLAWS**

**BYLAWS**  
**OF**  
**SOUTHERN PINES ADDITION HOMEOWNERS' ASSOCIATION**

Homeowners' Association: Southern Pines Addition Homeowners' Association (the "Association"), an unincorporated Texas nonprofit association, which is an unincorporated organization.

Principal Office: 203 Saddlebrook Circle, Hallsville, Texas 75650. The Association may have other offices.

Declaration: The Declaration of Covenants, Conditions and Restrictions for Southern Pines Addition Phase 1 dated as of February 2, 2022, recorded under County Clerk's File No. 2022-000004558, Official Public Records, Harrison County, Texas.

Definitions: Capitalized terms used but not defined herein have the meaning set forth in the Declaration.

Voting Members: Members entitled to vote or their proxies. Any Member delinquent in payment of any Assessment is not a Voting Member.

**A. Members**

A.1. Membership. Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot. Each Member has one vote per Lot and in the event of more than one Owner of a Lot, the joint Owners of the Lot have one vote.

A.2. Place of Meeting. Members meetings will be held at the Association's Principal Office or at another place designated by the Board.

A.3. Annual Meetings. Regular annual Members meetings will be held in February of each calendar year or such other date as determined by the Board as long as at least one general Member meeting is held each year.

A.4. Special Meetings. The president may call special meetings. The president must call a special meeting if directed by the Board or by a petition signed by fifty-one percent (51%) of the Voting Members.

A.5. Notice of Meetings, Election, and Vote. Written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, must be given to each Member not less than ten nor more than sixty days before the meeting. For voting not at a meeting, notice must be given not later than the twentieth day before the latest day on which a ballot may be submitted to be counted. The special Members meeting notices must also state the meeting's

purpose, and no business may be conducted except as stated in the notice. Notice to a Member must state the purpose of an association-wide election or vote and is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid.

A.6. Waiver of Notice. A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

A.7. Quorum. One-tenth (1/10th) of the Voting Members is a quorum. If a Members meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, one-tenth (1/10th) of the Voting Members is a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, a majority of the Board is a quorum. Written notice of the place, date, and hour of each reconvened meeting must be given to each Member not more than sixty (60) nor less than ten (10) days before the reconvened meeting.

A.8. Majority Vote. Voting by Members may be at a meeting or outside of a meeting. Voting must be as required by law. Votes representing more than fifty percent (50%) of the Voting Members present at a meeting at which a quorum is present are a majority vote.

A.9. Proxies. Voting Members may vote by written proxy.

A.10. Conduct of Meetings. The president will preside over Members meetings. The secretary will keep minutes of the meetings and will record in a minutes book the votes of the members.

## **B. Board**

B.1. Governing Body; Composition. The affairs of the Association are governed by the Board. Each director has one vote. The initial Board is composed of the directors appointed in the certificate of formation. Each director must be a Member or, in the case of an entity Member, a person designated in writing to the secretary.

B.2. Number of Directors. The Board consists of not less than three (3) nor more than five (5) directors. Within those limits, the Board may change the number of directors. No decrease may shorten the term of a director.

B.3. Term of Office. The terms of directors will be staggered. At least one-third of the Board will be elected each year. The initial Board will determine the initial term, not to exceed three years, of each director. At the expiration of the initial term of a director, each successor will have a term of 3 years. Directors may serve consecutive terms.

B.4. Election. At the first annual meeting of Members, the Voting Members will elect directors to succeed the initial directors. At subsequent annual Members meetings, successors for each director whose term is expiring will be elected. Cumulative voting is prohibited. The candidate or candidates receiving the most votes will be elected. The directors elected by the Voting Members will hold office until their respective successors have been elected.

B.5. Removal of Directors and Vacancies

B.5.a. Removal by Members. Any director may be removed, with or without cause, by a majority of the Voting Members. Any director whose removal is sought will be given notice of the proposed removal.

B.5.b. Removal by Board. Any director may be removed at a Board meeting if the director:

- i. failed to attend two (2) consecutive Board meetings;
- ii. failed to attend twenty-five percent (25%) of Board meetings within one year;
- iii. is delinquent in the payment of any Assessment for more than thirty (30) days; or
- iv. is the subject of an enforcement action by the Association for violation of the Dedicatory Instruments.

B.5.c. Vacancies. A director's position becomes vacant if the director dies, becomes incapacitated, resigns, or is no longer a Member.

B.5.d. Successors. If a director is removed or a vacancy exists, a successor will be elected by the remaining directors for the remainder of the term.

B.6. Compensation. Directors will not receive compensation. A director may be reimbursed for expenses approved by the Board.

B.7. Powers. The Board has all powers necessary to administer the Association's affairs.

B.8. Management. The Board may employ a managing agent.

B.9. Accounts and Reports. Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

B.9.a. An income statement reflecting all income and expense activity for the preceding period.

B.9.b. A statement reflecting all cash receipts and disbursements for the preceding period.

B.9.c. A variance report reflecting the status of all accounts in an “actual” versus “approved” budget format.

B.9.d. A balance sheet as of the last day of the preceding period.

B.9.e. A delinquency report listing all Owners who are delinquent by more than thirty (30) days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

B.10. Borrowing. The Board may borrow money to maintain, repair, or restore the Common Area without the approval of the Members. If approved in advance by the Members in the same manner as approving a Special Assessment, the Board may borrow money for any other purpose.

B.11. Rights of Association. With respect to the Common Area, and in accordance with the Declaration, the Association will have the right to contract with any person for the performance of various duties and functions. Such agreements require the approval of the Board.

B.12. Enforcement Procedures

B.12.a. Notice. Before the Board may (i) suspend an Owner’s right to use a Common Area, (ii) file a suit against an Owner other than a suit to collect any Assessment, (iii) foreclose the Association’s lien, (iv) charge an Owner for property damage, or (v) levy a fine for a violation of the Dedicatory Instruments, the Association or its agent must give written notice to the Owner as required or permitted by law. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice must also (i) inform the Owner that if the violation is curable and does not pose a threat to public health or safety, which means it could not materially affect the health or safety of an ordinary resident, the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months; (ii) indicate that the Owner may request a hearing in accordance with Texas Property Code section 209.007 on or before the thirtieth day after the date the notice was mailed to the Owner; (iii) state that the Owner may have special rights if the Owner is serving on active military duty, and (iv) state the date by which the Owner must cure a curable violation that does not pose a threat to public health and safety.

B.12.b. Hearing. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a [number]-day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

B.12.c. Appeal. Following hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, president, or secretary within five (5) days after the hearing date.

B.12.d. Changes in Law. The Board may change the enforcement procedures set out in this section to comply with changes in law.

## **C. Board Meetings**

C.1. Meetings. Except as permitted by law, all regular and special meetings of the Board must be open to the Owners. Except for a meeting held by electronic or telephonic means, a Board meeting must be held in a county in which all or part of the property in the subdivision is located or in a county adjacent to that county. A Board meeting may be held by electronic or telephonic means, provided all Owners and Board Members have access to the communication at the meeting as required by law.



C.2. Notice. Owners and Board Members must 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. Notice must be given as required by law.

C.3. Waiver of Notice. The actions of the Board at any meeting are valid if (a) a quorum is present and (b) either proper notice of the meeting was given to each director or a written waiver of notice is given by any director who did not receive proper notice of the meeting. Proper notice of a meeting will be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of proper notice.

C.4. Quorum of Board. At all meetings, a majority of the Board will constitute a quorum, and the votes of a majority of the directors present at a meeting at which a quorum is present constitutes the decision of the Board. If the Board cannot act because a quorum is not present, a majority of the directors who are present may adjourn the meeting to a date not less than fifteen (15) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

C.5. Conduct of Meetings. The president will preside at Board meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the directors. The Board meeting will be conducted as required by law.

C.6. Proxies. Directors may vote by written proxy.

#### **D. Officers**

D.1. Officers. The officers of the Association are a president, vice president, secretary, and treasurer, to be elected from the Members. The Board may appoint other officers having the authority and duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of president and secretary.

D.2. Election, Term of Office, and Vacancies. Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

D.3. Removal. The Board may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby.

D.4. Powers and Duties. Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The president is the chief executive officer of the Association. The treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

D.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

**E. Committees**

The Board may establish committees by resolution and authorize the committees to perform the duties described in the resolution.

**F. Miscellaneous**

F.1. Fiscal Year. The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

F.2. Rules for Meeting. The Board may adopt rules for the conduct of meetings of Members, Board, and committees.

F.3. Conflict. The Declaration controls over these Bylaws.

F.4. Inspection of Books and Records

F.4.a. Inspection by Member. After a written request to the Association, a Member may examine and copy, in person or by agent, any Association books and records relevant to that purpose. The Board may establish rules concerning the (i) written request; (ii) hours, days of the week, and place; and (iii) payment of costs related to a Member's inspection and copying of books and records.

F.4.b. Inspection by Director. A director has the right, at any reasonable time, and at the Association's expense, to (i) examine and copy the Association's books and records at the Association's Principal Office and (ii) inspect the Association's properties.

F.5. Notices. Any notice required or permitted by the Dedicatory Instruments must be in writing. Notices regarding enforcement actions must be given as required or as permitted by law. All other notices may be given by regular mail. Notice by mail is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to (a) a Member at the Member's last known address according to the Association's records and (b) the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient.

F.6. Amendment. These Bylaws may be amended at any time by the vote of fifty-one percent (51%) of the Voting Members in the Association. This provision will not be construed as limiting the Board's power to amend the enforcement procedures to comply with changes in law.

Dated effective April 13, 2022.

SOUTHERN PINES ADDITION HOMEOWNERS'  
ASSOCIATION, an unincorporated Texas nonprofit  
association

By:   
Linda Kay Russell, Secretary

**EXHIBIT "B"**

**GUIDELINES FOR ALTERNATIVE PAYMENT PLANS**

**GUIDELINES FOR ALTERNATIVE PAYMENT PLANS**  
**[Tex. Prop. Code Sec. 209.0062]**

Date: April 13, 2022

Homeowner's Association: Southern Pines Addition Homeowners' Association, an  
unincorporated Texas non-profit association

Homeowner's Association's Address: 203 Saddlebrook Circle  
Hallsville, Texas 75650

Subdivision: Southern Pines Addition Phase 1

Payment Plan Guidelines: Delinquent assessments or other amounts owed to Association shall  
be paid on or before three (3) months from the date of the Alternative Plan Agreement,  
payable in two (2) installments without interest prior to maturity; all matured sums shall bear  
interest from the maturity date until paid at the lesser of eighteen percent (18.00%) per  
annum, or the highest rate of interest allowed by applicable Texas law.

Administrative Fee: \$75.00

Annual Interest Rate: None prior to maturity.

The Homeowner's Association establishes these guidelines to allow owners who are  
delinquent in payment of a debt to the Homeowner's Association to pay the debt in partial payments  
to avoid monetary penalties. However, delinquency in payment of a debt may result in nonmonetary  
penalties, such as loss of privileges.

Payments under a payment plan will incur the Administrative Fee and interest at the Annual  
Interest Rate.

To be entitled to pay a debt under a payment plan, an owner who is delinquent on a debt must  
submit a written request to the Homeowner's Association.

Owners can make no more than two requests for a payment plan within a twelve-month  
period. The Homeowner's Association is not required to enter into a payment plan agreement with  
an owner who failed to honor the terms of a previous payment plan agreement during the two years  
following the owner's default under the previous payment plan agreement.

SOUTHERN PINES ADDITION HOMEOWNERS'  
ASSOCIATION, an unincorporated Texas non-profit  
association

By: Gail Moore  
Gail Moore, President

**EXHIBIT "C"**

**ALTERNATIVE PAYMENT PLAN AGREEMENT**

**ALTERNATIVE PAYMENT PLAN AGREEMENT**  
**[Tex. Prop. Code Sec. 209.0062]**

Date: \_\_\_\_\_

Debtor: \_\_\_\_\_

Debtor's Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Debt:

Principal Amount of Debt: \$ \_\_\_\_\_

Annual Interest Rate: None prior to maturity

Annual Interest Rate on Matured, Unpaid Amounts: The lesser of eighteen percent (18.00%)  
per annum or highest lawful rate

Property Owners' Association: SOUTHERN PINES ADDITION HOMEOWNERS'  
ASSOCIATION, an unincorporated Texas non-profit association

Place for Payment: 203 Saddlebrook Circle  
Hallsville, Texas 75650

Maturity Date: Three (3) months from date

Terms of Payment: The debt shall be paid in two (2) equal installments of \$ \_\_\_\_\_ each due  
on the following dates: \_\_\_\_\_ and \_\_\_\_\_

Debtor promises to pay to the Property Owners Association the Principal Amount of Debt plus interest at the Annual Interest Rate and the Administrative Fee. The Debt is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either when due under the Terms of Payment or on acceleration of maturity, Debtor promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

If Debtor defaults in the payment of this agreement, the Property Owners Association may declare the unpaid principal balance, earned interest, and any other amounts owed immediately due. Debtor and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Debtor also promises to pay reasonable attorney's fees and court and other costs if this agreement is given to an attorney to collect or enforce. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Debtor will pay the Property Owners Association these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the Debt evidenced by this agreement.

Interest on the Debt will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount of Debt or, if the Principal Amount of Debt has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount of Debt or, if the Principal Amount of Debt has been paid, refunded. This provision overrides any conflicting provisions in this agreement and all other instruments concerning the Debt.

Each Debtor is responsible for all obligations represented by this agreement.

When the context requires, singular nouns and pronouns include the plural.

**DEBTOR:**

---

---



**EXHIBIT “D”**

**DOCUMENT RETENTION POLICY**

**DOCUMENT RETENTION POLICY**  
**[Tex. Prop. Code Sec. 209.005(m)]**

Date: April 13, 2022

Property Owners' Association: **SOUTHERN PINES ADDITION HOMEOWNERS' ASSOCIATION, an unincorporated Texas non-profit association**

Property Owners' Association Address: 203 Saddlebrook  
Hallsville, Texas 75650

It is the policy of the Property Owners' Association to retain the Property Owners' Association records for the time periods shown below:

**Type of Record:**

**Retention Period in years**

**ACCOUNTING**

- |   |                                   |
|---|-----------------------------------|
| - Account records of current owners     | 5 (Prop. Code Sec. 209.005(m)(3)) |
| - All other financial books and records | 7 (Prop. Code Sec. 209.005(m)(2)) |

**CORPORATE RECORDS**

- |  |   |
|--|---|
| - Certificate of formation and all amendments                | Permanent (Prop Code Sec. 209.005(m)(1))  |
| - Bylaws and all amendments                                  | Permanent (Prop. Code Sec. 209.005(m)(1)) |
| - Restrictive covenants and all amendments                   | Permanent (Prop. Code Sec. 209.005(m)(1)) |
| - Minutes of meeting of owners and the<br>board of directors | 7 (Prop. Code Sec. 209.005(m)(5))         |

**LEGAL**

- |   |  |
|---|--|
| - Contracts with a term of one year or more | 4 after expiration of the contract term<br>(Prop. Code Sec. 209.005(m)(4)) |
|---|--|

**PERSONNEL**

- |                                     |   |
|-------------------------------------|---|
| - Employee earnings/payroll records | 3 (FLSA, Equal Pay Act)   |
| - Time cards/sheets                 | 3 (FLSA)  |
| -Form I-9                           | 3 years after date of hire or 1 year after date of<br>termination, whichever is later (Immigration<br>Reform & Control Act) |

**TAXES**

- |  |                                     |
|--|-------------------------------------|
| - Income tax returns, audit records and<br>cancelled checks (federal, state & local) | 7 (Sec. 209.005(m)(6) and IRS Code) |
| - Payroll tax returns  | 4 (IRS Code)                        |

**EXHIBIT "E"**

**RECORDS PRODUCTION AND COPYING POLICY**

## RECORDS PRODUCTION AND COPYING POLICY

Date: April 13, 2022

Subdivision: Southern Pines Addition Phase 1

Homeowner's Association: Southern Pines Addition Homeowners' Association, an unincorporated Texas non-profit association

Charges: Charges for examining and copying Homeowner's Association information are set out in Exhibit A.

Except for information deemed confidential by law or court order, the Homeowner's Association will make its books and records open to and reasonably available for examination by an owner of property in the Subdivision or a person designated in a writing signed by the owner as the owner's agent, attorney, or certified public accountant, in accordance with Texas Property Code section 209.005. Owners are also entitled to obtain copies of information in the Homeowner's Association's books and records on payment of the Charges for the copies. To the extent the Charges in this policy exceed the charges in section 70.3 of title 1 of the Texas Administrative Code, the amounts in section 70.3 of title 1 of the Texas Administrative Code govern.

Information not subject to inspection by owners includes but is not limited to:

1. any document that constitutes the work product of the Homeowner's Association's attorney or that is privileged as an attorney-client communication;
2. files and records of the Homeowner's Association's attorney relating to the Homeowner's Association, excluding invoices requested by an owner under Texas Property Code section 209.008(d); and
3. except to the extent the information is provided in the meeting minutes or as authorized by Texas Property Code section 209.005(l), (a) information that identifies the dedicatory instrument violation history of an individual owner; (b) an owner's personal financial information, including records of payment or nonpayment of amounts due the Homeowner's Association; (c) an owner's contact information, other than the owner's address; and (d) information related to an employee of the Homeowner's Association, including personnel files.

If a document in the Homeowner's Association's attorney's files and records relating to the Homeowner's Association would be subject to a request by an owner to inspect or copy Homeowner's Association documents, the document will be produced by using the copy from the attorney's files and records if the Homeowner's Association has not maintained a separate copy of the document.

## **Procedures for Inspecting Information or Obtaining Copies**

1. An owner or the owner's agent must submit a written request for access or information by certified mail, with sufficient detail describing the Homeowner's Association's books and records requested, to the mailing address of the Homeowner's Association or authorized representative as reflected on the most current management certificate filed with the county clerk of Upshur County, Texas.

2. The request must include enough description and detail about the information requested to enable the Homeowner's Association to accurately identify and locate the information requested. Owners must cooperate with the Homeowner's Association's reasonable efforts to clarify the type or amount of information requested.

3. The request must contain an election either to inspect the books and records before obtaining copies or to have the Homeowner's Association forward copies of the requested books and records and:

- a. if an inspection is requested, the Homeowner's Association, on or before the tenth business day after the date the Homeowner's Association receives the request, will send written notice of dates during normal business hours that the owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the Homeowner's Association; or
- b. if copies of identified books and records are requested, the Homeowner's Association will, to the extent those books and records are in the possession, custody, or control of the Homeowner's Association, produce the requested books and records for the requesting party on or before the tenth business day after the date the Homeowner's Association receives the request.

4. If the Homeowner's Association is unable to produce the books or records requested that are in its possession or custody on or before the tenth business day after the date the Homeowner's Association receives the request, the Homeowner's Association must provide to the requestor written notice that:

- a. informs the owner that the Homeowner's Association is unable to produce the information on or before the tenth business day after the date the Homeowner's Association received the request; and
- b. states a date by which the information will be sent or made available for inspection to the requesting party that is not later than the fifteenth business day after the date notice under this subsection is given.

5. If an inspection is requested or required, the inspection will take place at a mutually agreeable time during normal business hours, and the owner will identify the books and records for the Homeowner's Association to copy and forward to the owner.

6. The Homeowner's Association may produce copies of the requested information in paper copy, electronic, or other format reasonably available to the Homeowner's Association.

7. Before starting work on an owner's request, the Homeowner's Association must provide the owner with a written, itemized statement of estimated Charges for examining and copying records related to the owner's request, using amounts prescribed in this policy when the estimated Charges exceed \$40. Owners may modify the request in response to the itemized statement.

8. Within ten business days of the date the Homeowner's Association sent the estimate of Charges, the owner must respond in writing to the written estimate, or the request is considered automatically withdrawn. The response must state whether the owner (a) accepts the estimate per the request, (b) modifies the request, or (c) withdraws the request.

9. Owners are responsible for Charges related to the compilation, production, and reproduction of the requested information in the amounts stated in this policy. The Homeowner's Association may require advance payment of the estimated Charges of compilation, production, and reproduction of the requested information.

10. If the estimated Charges are less or more than the actual Charges, the Homeowner's Association must submit a final invoice to the owner on or before the thirtieth business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Homeowner's Association before the thirtieth business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated Charges exceeded the final invoice amount, the owner is entitled to a refund, and the refund will be issued to the owner not later than the thirtieth business day after the date the invoice is sent to the owner.

SOUTHERN PINES ADDITION HOMEOWNERS'  
ASSOCIATION, an unincorporated Texas non-profit  
association

By: \_\_\_\_\_

*Gail Moore*  
Gail Moore, President

## **EXHIBIT A**

### **CHARGES FOR EXAMINING AND COPYING HOMEOWNER'S ASSOCIATION INFORMATION**

#### **A. Labor Charge for Computer Programming**

If a particular request requires the services of a computer programmer to execute an existing program or to create a new program so that requested information may be accessed and copied, the Homeowner's Association will charge \$28.50 an hour for the programmer's time spent on the request.

#### **B. Labor Charge for Locating, Compiling, Manipulating, and Reproducing Data and Information**

1. The charge for labor costs incurred in processing an owner's request for Homeowner's Association information is \$15.00 an hour. The labor charge will be calculated based on the actual time to locate, compile, manipulate, and reproduce the requested data and information.

2. A labor charge will not be billed in connection with complying with requests that are for fifty 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 will not be billed for any time spent by an attorney, legal assistant, or any other person who reviews the requested information to determine whether it is confidential or privileged under Texas law.

4. When confidential or privileged information is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, black out, or otherwise obscure the confidential or privileged information in order to comply with the owner's request. The Homeowner's Association will not charge for redacting confidential or privileged information for requests of fifty or fewer pages unless the request also qualifies for a labor charge under section 552.261(a)(1) or 552.261(a)(2) of the Texas Government Code.

#### **C. Overhead Charge**

1. Whenever any labor charge is applicable to a request, the Homeowner's Association 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 the Homeowner's Association chooses to recover such costs, the overhead charge will be computed at 20 percent of the charge made to cover any labor costs associated with a particular request.

For example, if one hour of labor is used for a particular request, the formula would be as follows:

- a. Labor charge for locating, compiling, and reproducing— $\$15.00 \times .20 = \$3.00$ .
- b. Labor charge for computer programming— $\$28.50 \times .20 = \$5.70$ .

If a request requires a charge for one hour of labor for locating, compiling, and reproducing information (\$15.00 per hour) and one hour of programming (\$28.50 per hour), the combined overhead would be  $\$15.00 + \$28.50 = \$43.50 \times .20 = \$8.70$ .

2. An overhead charge will not be made for requests for copies of fifty or fewer pages of standard paper records.

#### **D. Microfiche and Microfilm Charge**

If the Homeowner's Association already has the requested information on microfiche or microfilm, the charge for a copy must not exceed the cost of reproducing the information on microfiche or microfilm or ten cents per page for standard size paper copies of the information on microfiche or microfilm, plus any applicable labor and overhead charge for more than fifty copies.

#### **E. Remote Document Retrieval Charge**

To the extent that the retrieval of documents stored on the Homeowner's Association's property results in a charge to comply with a request, the Homeowner's Association will charge the actual cost of the retrieval.

#### **F. Copy Charges**

1. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is ten cents per page or part of a page. Each side of a piece of paper on which information is recorded is counted as a single copy. A piece of paper that has information recorded on both sides is counted as two copies. Standard paper copy is a copy of Homeowner's Association information that is a printed impression on one side of a piece of paper that measures up to eight and one-half by fourteen inches.

2. A "nonstandard" copy includes everything but a copy of a piece of paper measuring up to eight and one-half by fourteen inches. Microfiche, microfilm, diskettes, magnetic tapes, and CD-ROM are examples of nonstandard copies. 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. nonrewritable 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., larger than eight and one-half by fourteen inches, greenbar, bluebar, not including maps and photographs using specialty paper)—\$0.50; and
- m. specialty paper (e.g., Mylar, blueprint, blueline, map, photographic)—actual cost.