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**POLICIES AND GUIDELINES
OF
THE BAY CLUB HOMEOWNERS ASSOCIATION
(A Texas Non-Profit Corporation)**

These Policies and Guidelines are promulgated in accordance with Texas Property Code and supersede any policies and guidelines of the Bay Club Homeowners Association, (the "Association") that may have previously been in effect. These Policies and Guidelines were approved by the Board of Directors ("Board") of the Association on July 29, 2017 and are effective when recorded in the Real Property Records of Tarrant County, Texas.

Statement of Intent

Acknowledging that the subdivision is largely built-out, it is the Board's intent to adopt policies and guidelines for the repair, alteration, and re-construction of the existing homes within the subdivision. These policies and guidelines are not intended to be applied retroactively to existing "Improvements" (as defined below); rather, they are intended to only be applied prospectively to future repair, alteration, and re-construction of the subdivision's existing Improvements.

DEFINITIONS

Except as otherwise provided herein, the following capitalized terms will have the meanings set forth below:

- **"Association"** means the Bay Club Homeowners Association, a Texas non-profit corporation.
- **"ACC"** means the Architectural Control Committee as referenced in the "Declaration" defined herein below.
- **"Declaration"** means collectively the: (1) Protective Covenants For the Bay Club, Second Installment, Arlington, Texas, recorded September 10, 1985, in volume 8304 page 990 et seq, Deed Records of Tarrant county, Texas, (2) Second Amended Protective Covenants For Bay Club, Arlington, Texas, recorded March 21, 1991 in volume 10204, page 1509 et seq, Deed Records of Tarrant County, Texas, (3) Adoption Of Restrictive Covenants, recorded September 9, 1991 in volume 10378, page 1973, Deed Records of Tarrant county, Texas, (4) Adoption of Protective Covenants recorded August 12, 1996 in volume 12469, page 1004, Deed Records of Tarrant County, Texas, and (5) any other restrictions and covenants adopted by the "Owners" or "Members" (as those terms are defined herein) after date hereof repealing, amending and/or superseding any or all of the covenants and restrictions described in subparts (1) thru (4) above.
- **"The Bay Club"** and **"Subdivision"** and **"Property"** all have the same meaning, being all of the real property described in the following described "Plats" (defined herein below), including but not limited to (a) each of the "Lots" (defined herein below) in Blocks 1, 2, 3, and 4 of the Bay Club, First Installment, Arlington, Tarrant county, Texas,

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(b) each of the "Lots" in Block 5 of the Bay Club, Second Installment, Arlington, Tarrant County, Texas, and (c) each of the "Lots" in Blocks 1 and 5 of the Bay Club, Third Installment, Arlington, Tarrant County, Texas.

- **"Plat"** and **"Plats"** mean: (a) that certain Plat of the Bay Club First Installment, filed in volume 388-178, page 67, Plat Records of Tarrant County, Texas, (b) that certain Amended Plat of the Bay Club Second Installment, filed in Cabinet A, Slide 693, Plat Records of Tarrant County, Texas, and (c) that certain Amended Plat of The Bay Club Third Installment, filed in Cabinet A, Slide 801, Plat Records of Tarrant County, Texas.
- **"Lot"** and **"Lots"** mean any of the land within the Property shown as a subdivided lot on any of the Plats, regardless of being subsequently re-platted after date of such Plat, together with all "Improvements" (as defined herein below) located on such Lot.
- **"Improvement"** and **"Improvements"** mean every structure and all appurtenances to structures of every type and kind, including but not limited to buildings, garages, walkways, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water-softener fixtures or equipment, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.
- **"Living Unit"** means and refers to a single-family residence and the garage serving it.
- **"Masonry"** means stucco, stone (natural, precast, or manufactured), and brick, but excluding fiber-cement siding, stone veneer, or other siding materials.
- **"Member"** or **"Members"** means any Person(s) holding membership rights in the Association.
- **"Owner"** or **"Owners"** mean the Person(s), holding a fee-simple interest in any portion of the Property, but does not include any Mortgagee of any Mortgage.
- **"Person"** or **"Persons"** mean any individual(s), entity, or entities.
- **"Plans and Specification"** means any and all documents designed to guide or control the construction or erection of any Improvement, including but not limited to those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.
- **"Assessment"** or **"Assessments"** mean annual and special assessment(s) levied by the Association under the terms and provisions of the Declaration.
- **"Association Rules"** mean the rules and regulations adopted by the Board, as amended from time to time, governing the conduct of the Owners and their respective family members, guests and invitees at the Property.

- **“Board”** means the Board of Directors of the Association.
- **“Bylaws”** means the Amended Bylaws of the Association adopted September 22, 2007, and any subsequent amendments thereto after date hereof.
- **“City”** means the City of Arlington, Texas.
- **“Common Areas”** and **“Common Area and Facilities”** mean the streets, entrance/exit gates, lighting, guardhouse, exterior walls, boat docks, clubhouse, tennis courts and all other Improvements designed for the common use and benefit of the Owners and their guests.
- **“Dedicator Instrument”** and **“Dedicator Instruments”** mean each document governing the establishment and operation of the Association, and each document governing the maintenance and use of any portion of the Property; including but not limited to the Declaration and the Association’s Certificate of Formation, Bylaws, these Policies & Guidelines, and Association Rules, as any of the same may be amended from time to time.

POLICIES

ARTICLE 1

ASSESSMENT COLLECTION POLICY

1.01 Policy Objectives. The collection of Assessments owed by Owners and the application of their payments under the Declaration, the Bylaws, and this Collection Policy will be governed by the following objectives:

(a) The Association will pursue collection of all Assessments in the most expedient and cost-effective manner possible, subject to the provisions of the Declaration, the Bylaws, and this Collection Policy. The Board may delegate to a Director, Officer, or the Association's legal counsel, or both, those duties determined by the Board, in its absolute discretion, to be necessary to accomplish these objectives.

(b) At each step in the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the most expedient course of action.

(c) All payments received by the Association will 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 or instructions on checks, and the date the obligation arose:

- (1) unpaid delinquent Assessments due;

- (2) unpaid current Assessments due;
- (3) unpaid collection costs and attorney fees, or third party collection cost associated solely with Assessments or any other charges that could provide the basis for foreclosure;
- (4) all other collection costs and attorney fees;
- (5) fines; and
- (6) all other unpaid sums owed to the Association.

Notwithstanding the foregoing, if, at the time the Association receives a payment from an Owner, the Owner is in default under any alternative payment plan entered into with the Association with respect to delinquent Assessments, all payments received by the Association may be applied to amounts owed by the Owner in the order and manner the Association deems appropriate, regardless of any contrary instructions from the Owner or anyone else; however, a fine assessed by the Association may not be given priority over any other amount owed by the Owner.

- 1.02 **Ownership Interests.** The Person who is the Owner of a Lot as of the date Assessments become due is personally liable for the payment of the Assessments. As used in this Collection Policy, the term "**Delinquent Owner**" refers to the Person who held record title to a Lot on the date Assessments became due. As used in the Collection Policy, the term "**Current Owner**" refers to the Person who then holds record title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner, the Current Owner, or both, as may be appropriate under the circumstances.
- 1.03 **Due Date; Delinquency Date.** All quarterly Assessments are due and payable to the Association on the first day of January, April, July and October of each year (Some residents choose to pay annually and should do so on the first day of January). Special Assessments are due on the dates prescribed in written notice from the Board to the Owner. Each due date for payment of Assessments is collectively referred to in this Collection Policy as a "**Due Date**". The Association shall send each Owner written notice of the Assessment at least thirty (30) days prior to its Due Date. Any Assessment that is not paid in full on or before its Due Date is delinquent (the "**Delinquency Date**") and will be assessed late fees, administrative fees, and interest as provided in Sections 1.06 and 1.07 below.
- 1.04 **Late Notice.** If Assessments have not been fully paid before the Delinquency Date, the Association will send an invoice (referred to as the "**Late Notice**"), which will include the unpaid Assessments, administrative fees, late fees, and interest charges claimed to be due. The Late Notice will be sent via first-class U.S. Mail to the Owner pursuant to Sections 1.09 and 1.10 below.
- 1.05 **Default Letter.** If Assessments (together with administrative fees, late fees and interest) have not been paid in full within thirty (30) days from the Due Date, the Association will send a notice (referred to as the "**Default Letter**") to the Owner, via certified mail, return receipt requested. The Default Letter shall:

(a) specify in detail all unpaid Assessments, interest, late fees, collection costs, administrative fees and other sums claimed to be due, and the total amount required to bring the Owner's account current;

(b) notify the Owner will become liable for the Association's attorney fees and expenses of collection if all sums owing are not fully paid, and describe the options the Owner has in order to avoid having the account turned over to the Association's legal counsel or a collection agent, including information about availability of a Payment Plan through the Association; and

(c) provide a period of at least thirty (30) days for the Owner to cure the delinquency before the Owner is charged with legal fees and before further collection action is taken.

1.06 Late Fee and Interest. If any Assessment is not paid in full on or before the Delinquency Date, a late fee of ten percent (10%) of the amount of such delinquent Assessment will be assessed against the Owner and his or her Lot for each delinquent Assessment. The Board may, from time to time, decrease the amount or waive payment of the late fee and any interest; however, the waiver of any late fee or interest will not constitute a waiver of the Board's right to collect any future late fees or interest. Interest at the rate of ten percent (10%) per annum shall accrue on any unpaid Assessment from its Due Date. The late fee, accrued interest and other charges in Section 1.07 below, will become part of the Assessments, and will be subject to recovery in the manner provided in this Collection Policy for Assessments.

1.07 Administrative Fees and Returned Check Fees. To recoup the additional administrative expenses incurred by the Association for collecting delinquent Assessments, the collection of the following fees and charges is part of this Collection Policy:

(a) \$25.00 administrative fee for each Assessment not fully paid before the Delinquency Date, postage, and all other expenses incurred by the Association in the collection of any Assessment owed beyond the Delinquency Date; and

(b) a charge of \$25.00 per item for any check tendered to the Association that is dishonored by the drawee of the check, such charge being in addition to any other fee or charge the Association is entitled to recover from an Owner in connection with collection of Assessments owed with respect to the Owner's Lot. Any fee or charge becoming due and payable under this Section will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the Assessments, the delinquency of which gave rise to the incurrence of the charge, fee, or expense.

1.08 Acceleration. If an Owner defaults in paying any Assessment or other sums that is payable in installments under a Payment Plan approved by the Board, then, the Board may accelerate the remaining installments on ten (10) days written notice to the defaulting Owner. The entire unpaid balance of the sums owing shall become

immediately due on the date stated in the notice. Following acceleration, the Association has no duty to reinstate the installment program for the amount that has been accelerated.

- 1.09 **Ownership Records.** All collection notices and communications will be directed to the Persons shown on the Association's records as being the Owner of a Lot for which Assessments are due, and will be sent to the Owner's most recent address as reflected on the Association's records. Any notice or communication directed to a Person at an address that is reflected in the Association's records as being the Owner and such Owner's address for a given Lot, will be valid and effective for all purposes under the Declaration, the Bylaws, and this Collection Policy until there is actual receipt by the Board at its corporate office of written notice from the Owner of any change in the identity or status of the Owner, or his/her address, or both.
- 1.10 **Notification of Owner's Representative.** When the interest of an Owner in a Lot has been handled by a representative or agent of the Owner, or when an Owner has otherwise acted to put the Association on notice that his/her/its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association under this Collection Policy will be deemed valid and effective for all purposes if given to the representative or agent at the last known address of such representative or agent as shown by the Association's records.
- 1.11 **Referral to Legal Counsel.** If an Owner remains delinquent in the payment of any Assessment, fees, charges, or other costs for more than ten (10) days after the Default Letter has been sent, the Board may, as soon as possible, refer the delinquency to legal counsel for the Association for legal action as required by this Collection Policy. Any attorney fees and related charges incurred by virtue of legal action taken will become part of the Assessment obligation and may be collected as provided in this Collection Policy.
- 1.12 **Legal Action.** Upon receipt of written request from the Board to take specific collection action, legal counsel for the Association will take any or all of the following actions with regard to such delinquencies assigned for collection:
- (a) **Title Search.** If a Delinquent Owner does not pay all the amounts included in the Association's Default Letter, counsel will, obtain a search of the land records to verify current ownership of the Lot on which the delinquency exists.
 - (b) **Notice Letter.** As the initial correspondence to a Delinquent Owner, counsel will send a notice letter ("Notice Letter") to the Owner, via certified mail, return receipt requested, and via first-class U.S. Mail, stating the outstanding amount of Assessments and related fees, charges, and costs, including the charges for attorney fees and costs incurred for counsel's services.
 - (c) **Notice of Lien.** When the Board has determined that foreclosure of Association's assessment lien is to be pursued, if an Owner does not pay in full all amounts indicated in the Default Letter by the date specified, counsel, upon request by the Board, will prepare and record in the Real Property Records of Tarrant County, Texas a written notice of lien ("Notice of Lien") setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by the lien, and a description of the Lot covered by the lien. At the same time the

Notice of Lien is filed with the County Clerk's Office, a copy of the Notice of Lien will be sent to the Owner with a demand that all outstanding amounts be paid in full.

(d) **Judicial Foreclosure/Personal Judgment.** If all outstanding amounts have not been paid in full within the time period given in the Default Letter, the continued delinquency of Assessments due will be reported to the Board. As soon as practical, the Board may direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking:

(1) Foreclosure of the assessment lien by judicial foreclosure, including but not limited to foreclosure under the rules adopted by the Texas Supreme Court for expedited foreclosure proceedings; however, the Associations' assessment lien may not be foreclosed until the Association has: (i) provided written notice of the total amount of the delinquency giving rise to the foreclosure to all lien holders of record (evidenced by a deed of trust), including those whose liens are inferior or subordinate to the Association's assessment lien, and (ii) provide each lien holder an opportunity to cure the delinquency before the sixty-first (61st) day after the lien holder receives the notice. The notice to lien holders must be sent by certified mail, return receipt requested, to the address for the lien holder shown in the deed of trust or other recorded instrument burdening the Lot(s) subject to the Association's assessment lien, and

(2) Recovery of a personal judgment against the Current Owner and, where different, from the Delinquent Owner, for all amounts arising from failure to timely pay in full any delinquent Assessment, including but not limited to all attorney fees and costs.

- 1.13 **Possession Following Foreclosure.** If the Association purchases a Lot at public auction, the Owner and all other occupants of the Lot will be deemed a tenant at sufferance, and the Board may immediately institute actions to recover possession of the Lot.
- 1.14 **Compromise of Assessment Obligations.** To expedite the handling of collection of delinquent Assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any Assessments, interest, late fees, administrative fees, collection costs, legal fees, or any other applicable charges. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any Assessment obligation.
- 1.15 **Credit Bureaus.** The Association may notify any credit bureau of an Owner's delinquency. The Association will notify the Owner that it has filed such a report and will comply with any local, state, or federal laws in connection with the filing of the report.
- 1.16 **Collection Agency.** The Board may employ or assign any past-due account to one or more collection agencies.

- 1.17 **Notification of Mortgage Lender.** The Association may notify an Owner's Mortgagee of any default in the timely satisfaction of Assessment obligations.
- 1.18 **Form of Payment.** The Association may require that payment of delinquent Assessments and other sums owing by an Owner be made only in the form of cash, cashier's check, or certified funds.
- 1.19 **Partial and Conditioned Payment.** Except in accordance with a written Payment Plan approved by the Board, the Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payor attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs only when the Association posts and credits the payment to the Owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payor. A payment that is not refunded to the payor within thirty (30) days after being deposited by the Association may be deemed accepted. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations or the Association's right to apply payments under any rights granted in this Collection Policy.
- 1.20 **Notice of Payment.** If the Association receives full payment of the delinquency after recording the Notice of Lien, the Association will cause a release of the Notice of Lien to be publicly recorded, a copy of which will be sent to the Owner; however, the Owner must prepay to the Association the cost of preparing and recording the release.
- 1.21 **Correction of Credit Report.** If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.
- 1.22 **Statements of Unpaid Assessments.** The Board may impose a reasonable fee on any Owner if the Owner or a prospective purchaser or Mortgagee of the Owner requests the Association to issue a certificate of the current status of the Owner's payment of Assessments.

ARTICLE 2

PAYMENT PLAN POLICY

2.01 **Payment Plans.**

- (a) **Right to Payment Plan.** Subject to the terms of this Payment Plan Policy, Owners are entitled to make partial payments for delinquent amounts owed to the Association under an alternative payment schedule (a "**Payment Plan**"), and if more than one, collectively, "**Payment Plans**") in compliance with this Policy.

(b) **Effect of Prior Default.** The Association has no obligation to offer or to accept a Payment Plan from any Owner who has defaulted on the terms of a Payment Plan made within the last two (2) years.

2.02 **Basic Plan Requirements.**

(a) **In Writing.** All Payment Plans must be in writing on a form provided by the Association and signed by the Owner and authorized Officer appointed by the Board.

(b) **Frequency and Amount of Payment.** A Payment Plan must include sequential monthly payments. The total of all proposed payments must equal the total delinquent amounts owed for unpaid Assessments, plus administrative fees, if any, plus the accrued interest, late charges, attorneys fees, expenses for collection, and other sums owing to the Association and unpaid by the delinquent Owner.

(c) **Duration.** Based on the guidelines below, a Payment Plan may be no shorter than three (3) months and no longer than eighteen (18) months. The following guidelines are provided to assist Owners in submitting a proposed Payment Plan:

(1) If the total delinquent amount is less than two (2) times the annual amount of Assessments for the Owner, the Payment Plan can have a stated term up to six (6) months in length;

(2) If the total delinquent amount is greater than two (2) times but less than three (3) times the annual amount of Assessments for the Owner, the Payment Plan can have a stated term up to twelve (12) months in length;

(3) If the total delinquent amount is greater than three (3) times the annual amount of Assessments for the Owner, the Payment Plan can have a stated term up to eighteen (18) months in length.

(d) **Future Assessments.** If an Owner requests a Payment Plan that will extend into the next fiscal period for Assessments, the Owner will be required to pay future Assessments before they become delinquent in addition to the payments specified in the Payment Plan.

(e) **Sequential Payment Plan.** On request of an Owner, the Association may approve more than one Payment Plan (to be executed in sequence) to assist the Owner in paying the total delinquent amount owed. No individual Payment Plan may exceed eighteen (18) months in length.

2.03 **Date Payment Plan is Active.** A Payment Plan becomes effective and is designated as "active" after the occurrence of all of the following:

(a) the Association's receipt of a fully completed and signed Payment Plan on a form provided by or approved by the Association;

(b) the Association's acceptance of the Payment Plan, as evidenced by the signature of an Officer of the Association; and

(c) the Association's receipt of the first payment under the Payment Plan.

2.04 **Fees.** No additional late fees, penalties, and delinquent collection fees other than those included in Payment Plan will be added to the Payment Plan while the Payment Plan is active. The Association may impose a separate fee for administrating a Payment Plan. The fee, if any will be listed on the Payment Plan.

2.05 **Default.**

(a) **Events of Default.** It is considered a default of the Payment Plan if an Owner does any of the following:

- (1) does not return a Payment Plan approved by the Board, and signed by the delinquent Owner with the initial payment, within fifteen (15) days following the Owner's receipt of the Default Letter in 1.05 of the Assessment Collection Policy;
- (2) misses a payment due under the Payment Plan;
- (3) makes a payment for less than the agreed amount under the Payment Plan; or
- (4) does not promptly pay any future Assessments or other sums owing to the Association that accrue after date of the Payment Plan which are not covered by the Payment Plan.

(b) **Effect of Default.** If an Owner defaults on the terms of the Payment Plan, the Payment Plan will, at the Board's option, be voided. If a Payment Plan is voided, the Board will provide written notice to the Owner and the full unpaid amount owed by the Owner will immediately become due and payable. The Association will resume the process for collecting amounts owed using all remedies available under the Declaration and applicable laws.

(c) **Default Waived.** In its absolute discretion, the Board may waive an Owner's default under the Payment Plan. The Board may provide a courtesy notice to Owner of any missed or short payment, but is not required to do so.

2.06 **Reinstatement of Voided Plan.** In its absolute discretion, the Board may reinstate a voided Payment Plan once during the original term of the Payment Plan, as long as all missed payments are made up at the time the Owner submits a written request for reinstatement. The Association has no obligation to reinstate a voided Payment Plan, nor to accept an Owner's request for reinstatement.

This Payment Plan is subject to the Association's Payment Plan Policy in effect at date of signing this Payment Plan.

Payment Plan Form

Name _____

Address _____

If the total delinquent amount is equal to or less than two (2) times the total of all Assessments for a year, the Payment Plan can have a stated term up to six (6) months in length. If the total delinquent amount is equal to or greater than two (2) times but less than three (3) times the total of all Assessments for a year, the Payment Plan can have a stated term up to twelve (12) months in length. If the total delinquent amount is equal to or greater than three (3) times the total of all Assessments for a year, the Payment Plan can have a stated term up to eighteen (18) months in length.

Total Delinquent Amount \$ _____, which is _____ times the total of all Assessments owing for a year, therefore the repayment plan will be for a total of _____ months.

Quarterly Assessments owed:	\$ _____
Special Assessments owed:	\$ _____
Attorney Fees and Collection Costs owed:	\$ _____
Late Fees owed:	\$ _____
Administrative Fees owed:	\$ _____
Interest Accrued owed:	\$ _____
Fines owed:	\$ _____

Repayment will be in the amount of \$ _____ each month, beginning _____ 20__ and continuing on the _____ day of each month until _____ 20__, for a total of \$ _____ in payments.

President _____ Date _____

Homeowner/Member _____ Date _____

ARTICLE 3

FINING POLICY

This Fining Policy is promulgated in accordance with Texas Property Code and supersedes any prior fining policy of the Bay Club Homeowners, (the "Association") that may have previously been in effect. This Fining Policy is separate and distinct from the Association's Assessment Collection Policy.

3.01 Warning Notice. Except as provided in 3.04 (e) below, an Officer or the attorney for the Association shall send the Owner written notice ("**Warning Notice**"), by certified mail, return receipt requested of the violation(s) of any Dedicatory Instruments. The Warning Notice shall be deemed given to the Owner when deposited in the U. S. Postal System, addressed to the Owner at the Owner's last known address as shown in the records of the Association. The Warning Notice shall describe the violation(s) or property damage that is the basis for the Fine or suspension of the Owner's rights, state the amount of each Fine for each violation, and the Owner's options (if any) to cure the violation(s) and avoid the Fine. Those options except as provided in 3.04 (e) below are: (a) if the Owner fully cures the violation(s) within 10 days from date of the Warning Notice, the Owner may avoid the Fine or suspension of rights, and (b) the Owner may make a written request for a hearing before the Board within 30 days from date of the Warning Notice. **Caveat: Failure to fully cure the violation(s) within the 10 day cure period will result in the Fine being owed unless otherwise ordered by the Board.**

3.02 Board Hearing. If the Owner is entitled to a hearing on the violation(s), and has made written request for such hearing within 30 days from date of the Warning Notice, then the Board shall notify the Owner of the day and time for such hearing at least 10 days before the hearing. Any such hearing shall be held and concluded within 30 days from date of the Board's receipt of the Owner's request for hearing. Following hearing, if the Board confirms the violation(s), and such violation(s) was/were not cured within the time allowed by such Warning Notice, the Owner shall immediately pay the Fine(s) and immediately cure the violation(s). **Caveat: Failure to immediately pay all such Fines and cure all violation(s) will result in the Owner also becoming liable for the Association's attorney fees and costs of enforcement and collection.**

3.03 No Board Hearing Requested. If the Owner was entitled to a hearing before the Board, but failed to make a timely written request for a hearing, and the violation(s) was/were not fully cured within 10 days from the Warning Notice, then the Owner must immediately pay the Fine(s) and immediately cure the violation(s). **Caveat: Failure to immediately pay such Fine and fully cure all violation(s) will result in the Owner also becoming liable for the Association's attorney fees and costs of enforcement and collection.**

3.04 Fines, Attorney Fees and Cost of Enforcement.

(a) A \$100.00 Fine for each violation by the Owner will be imposed 10 days after date of the Warning Notice. For any violation not cured within 10 days from date of the Warning Notice, an additional \$100.00 Fine for each day the violation(s) remain uncured will be imposed to the maximum permitted by law.

(b) If Owner fails to pay all Fines or has failed to fully cure all violations by the later of: (i) 30 days from date of the Warning Notice, or (ii) at conclusion of any applicable Board hearing affirming the violations, then Owner shall also pay the Association all attorney fees, expenses and costs of collection and enforcement the Association incurs.

(c) Provided the Owner is eligible to make a Payment Plan under the Association's Payment Plan Policy, then prior to the Board commencing any lawsuit to enforce payment of any Fines, attorney fees, expenses and costs of collection, the Association shall notify the Owner of the option to make a Payment Plan in accordance with the Association's Payment Plan Policy.

(d) If the Owner is not eligible for a Payment Plan under the Payment Plan Policy, or fails to request a Payment Plan within 30 days from date of the Warning Notice, or defaults under a Payment Plan for sums owing as Fines, then the Association may commence a lawsuit to enforce payment of all Fines, attorney fees, expenses, and cost of collection relating to the violations, as well as additional fees and expenses incurred in any lawsuit commenced against the Owner.

(e) Notwithstanding anything to the contrary, the Association shall have no obligation to provide Owner the Warning Notice, nor any Board hearing, nor any opportunity to cure a violation of the Dedicatory Instruments if: (i) the Owner within the previous 6 months was given a Warning Notice for the same violation, and opportunity to exercise the options listed in the Warning Notice, or (ii) the violation(s) is considered to be "incurable" or could pose a threat to the public health or safety, or (iii) the violation occurs on the Common Areas and involves a significant and immediate risk of harm to others. Where any of the circumstances listed in (i) thru (iii) above are deemed to exist, the Association may immediately file suit, including seeking a temporary restraining order and/or temporary injunction to halt such violation(s) and the Owner shall be liable for all attorney fees and expenses of collection and enforcement.

(f) A violation is considered "incurable" if it is not of a continuous action, or is incapable of being remedied by an affirmative action. The non-repetition of a onetime violation or other violation that is not ongoing, is not considered to be remedial. The following are examples of some violations considered incurable, but are not exclusive: (i) acts threatening health and safety of residents and their guests, (ii) property damage, (iii) conducting an event prohibited by the Dedicatory Instruments.

(g) Damages to property, real or personal, of a tangible or intangible nature, resulting from a violation of any Dedicatory Instrument, shall be assessed against an Owner and his/her/its Lot, in addition to any Fine, attorney fees, and expenses incurred by the Association in enforcing the Dedicatory Instruments.

3.05 Not Exclusive Remedies. The Association's imposing Fine(s) for any violation(s) of a Dedicatory Instrument is in addition to the Association's right to bring a lawsuit for the enforcement of Owner's compliance with the Dedicatory Instruments including but not limited to injunction relief. **Caveat: Owner will be liable for all Fines, as well as all attorney fees and expenses incurred by the Association to enforce (i) Owner's compliance with the Dedicatory Instruments, (ii) to collect Fines for violating the**

Dedicatory Instruments, and (iii) in bringing a lawsuit to enforce Owner's payment of such Fines.

ARTICLE 4

DOCUMENT RETENTION POLICY

4.01 Definitions.

The following words and phrases when used in this Document Retention Policy have the following meanings:

(1) The terms "**Destroy**" and "**Destroyed**" mean to destroy, discard, shred, burn, delete, chemically treat, purge, or otherwise eliminate "Documents" as may be appropriate.

(2) The terms "**Document**" or "**Documents**" mean any documentary material generated or received by the Association in connection with transacting its business, or related to the Association's legal obligations. The terms "Document" or "Documents" include, among other things, writings, drawings, graphs, charts, photographs, tapes, discs, audio recordings, microfilms, and electronic mail.

(3) The term "**Official Files**" means the files maintained by the Board. The term "**Official Files**" expressly excludes Documents subject to the attorney-client privilege and the work-product privilege maintained by the Association's legal counsel.

4.02 Policy.

(a) It is the Association's policy to maintain complete, accurate, and high-quality documents. Documents are to be retained for the period of their immediate use, unless longer retention is required for historical reference, contractual or legal requirements, or other purposes as set forth in this Document Retention Policy.

(b) Documents may be maintained in paper format or in an electronic format that can be readily transferred to paper.

(c) Documents that are no longer required, or have satisfied their recommended period of retention, will no longer be records of the Association and may be Destroyed.

4.03 Compliance. This Document Retention Policy is not intended to be exhaustive and, accordingly, will be implemented to meet the specific needs of the Association. The retention periods specified in the Retention Schedule are guidelines based on the current retention periods set forth in current laws, industry custom, and/or practice.

4.04 Records Retention Schedule. Documents must be retained in accordance with the Retention Schedule shown in Schedule 1, the "**Retention Schedule**". The retention periods specified in the Retention Schedule for particular Documents are intended as guidelines. In particular circumstances, the Board may determine that either a longer or

shorter retention period is warranted, as long as the retention period does not violate current law.

4.05 Directors. The Association does not require Directors to maintain any Documents. Directors, in their discretion, may destroy copies of Documents generated by the Association if the Association maintains the originals of the Documents in the Official Files. However, if Directors receive Documents relating to the Association that were not generated by the Association or received through the Association, Directors must send the originals of the Documents (or copies, if originals are not available) to the Board to be maintained in the Official Files. When a Director ceases to be a Director, the Director must turn over to the Board all Documents relating to the business of the Association in the Director's possession or control.

4.06 Destruction Procedure.

(a) If the Documents to be purged are of public record, the Documents will be recycled. If recycling is not economically feasible, the Documents may be Destroyed.

(b) If the Documents to be purged are not of public record, the Documents will be recycled as long as any confidential information contained in the Documents can be preserved; otherwise, the Documents will be Destroyed in order to preserve the confidential nature of the information.

4.07 Copies of Originals. Copies of any Document may be recycled or Destroyed (as appropriate) at any time, regardless of age, as long as an original of the Document is maintained in the Official Files.

4.08 Onset of Litigation. If litigation has commenced, or if it is reasonably foreseeable that litigation may be imminent, all Documents potentially relevant to the dispute must be preserved. At the direction of the Association's legal counsel, the Board will advise any other person who has possession of Documents relating to the litigation to maintain the Documents. Thereafter, all Documents potentially relevant to the dispute will be deemed "held" until the litigation is concluded and all appeal periods have expired. At the conclusion of the litigation, the "hold" period will cease and the time periods provided in the Retention Schedule will apply to the Documents.

**RETENTION OF DOCUMENTS FOR THE BAY CLUB HOMEOWNERS
ASSOCIATION**

SCHEDULE 1

The Bay Club Homeowners Association is composed of more than 14 Lots and shall comply with a document retention policy that includes the following requirements:

- (1) Certificates of Formation, Bylaws, the Declarations and all amendments to the aforementioned documents shall be retained permanently;
- (2) financial books and records shall be retained for seven years;

- (3) account records of current owners shall be retained for five years;
- (4) contracts with a term of one year or more shall be retained for four years after the expiration of the contract term;
- (5) minutes of meetings of the owners and the Board shall be retained for seven years;
- (6) tax returns and audit records shall be retained for seven years; and
- (7) while not required to retain other records, the Board may retain other records to confirm prior Association actions, including but not limited to proxies, Members Voting List, and ballots.

ARTICLE 5

RECORDS PRODUCTION AND COPYING POLICY

5.01 Definitions.

(a) The following words and phrases when used in this Policy have the following meanings:

(1) The term “**Business Days**” means Monday through Friday, excluding federal holidays on which national banking associations in Tarrant County, Texas are authorized to be closed.

(2) The terms “**Record**” or “**Records**” mean the books and records of the Association, including financial records. The terms “**Record**” or “**Records**” specifically exclude an attorney’s files and records of the Association that are subject to the attorney-client privilege and the work product privilege.

(3) The term “**Requesting Person**” means an Owner, for himself or herself, or a person designated in writing by the Owner as the Owner’s agent, attorney, or certified public accountant.

5.02 Request to Inspect or Obtain Copies.

(a) A Requesting Person may submit a request to inspect or obtain copies of Records. The request must be submitted in writing and delivered to the Board. The written request shall be deemed to be delivered when (i) sent via Electronic Transfer (as hereinafter defined), provided that delivery thereof is acknowledged by the receiving party, (ii) hand delivered, in which case the request shall be deemed received the date of such personal delivery or refusal of receipt, (iii) sent by nationally recognized overnight delivery service, next day delivery, prepaid, in which case the request shall be deemed to have been received one business day following delivery or refusal of receipt, or (iv) sent by U.S. Postal Service certified mail, return receipt requested, addressed to the then current Secretary of the Board at the Secretary’s home address. “Electronic Transfer” (i.e., pdf,

tif, etc.) is that term that is commonly used with reference to electronic scanning and transmission via the Internet.

(b) A written request to inspect or obtain copies of Records must identify with sufficient detail the Records requested and contain an election either to have the Association forward copies of the identified Records or to inspect the Records requested. If the Requesting Person elects to have the Association forward copies of the identified Records, the request must indicate the address to which the Requesting Person desires to have the Records forwarded, as well as one of the available formats and delivery methods below:

(1) Format: electronic files, compact disc, or paper copies.

(2) Delivery method: email, certified mail, or pickup.

5.03 Response to Request. Within ten (10) Business Days after receipt of a written request under 5.02 (b), the Association will provide one or more of the following as appropriate:

(a) a written notice that the requested Records are available for delivery once payment of the cost to produce the requested Records is made, and stating the cost to the Requesting Person;

(b) the requested Records, if copies were requested and any required advance payment had been made;

(c) a written notice that the requested Records are available for inspection, specifying dates and times when the requested Records may be inspected by the Requesting Person during normal business hours at the Association's office or at such other location as the Board may prescribe;

(d) a written notice that a request for delivery does not contain sufficient information to identify the specific Records desired, the format, the delivery method, or the delivery address, as applicable; or/and

(e) a written notice that the requested Records cannot be produced with ten (10) Business Days but will be available within five (5) additional Business Days from the date of the notice and the Association's receipt of payment of the cost to produce the Records stating the cost.

5.04 Guidelines for Inspection.

(a) A Requesting Person requesting to inspect Records must not disrupt the ordinary business activities of the office where the Records are kept during inspection.

(b) No originals of any Records may be removed by a Requesting Person from the office where the Records are kept without the Board's expressed written consent.

(c) If a request is made to inspect Records and the Records are maintained in electronic format the Requesting Person will be given access to equipment to view the electronic

records. The Association will not be required to transfer the electronic Records to paper format unless the requesting person agrees to pay the cost of producing the copies.

(d) If a Requesting Person inspecting Records requests copies of certain Records during the inspection, the Association must provide them promptly, if possible, but no later than ten (10) Business Days after the inspection and payment of costs, whichever is later.

5.05 Costs.

(a) A Requesting Person is responsible for all costs associated with a request made under this Records Policy, including but not limited to copies, postage, supplies, labor, overhead, and third-party fees (such as archive document retrieval fees) as listed below:

(1) black and white 8-1/2" x 11" single-sided copies.... \$0.10 each;

(2) black and white 8-1/2" x 11" double-sided copies.... \$0.20 each;

(3) color 8-1/2" x 11" single-sided copies.... \$0.50 each;

(4) color 8-1/2" x 11" double-sided copies.... \$1.00 each;

(5) oversized single-sided copies.... \$1.00 each;

(6) oversized double-sided copies.... \$2.00 each;

(7) PDF images of documents.... \$0.10 per page;

(8) compact disc.... \$5.00 each

(9) DVD.... \$5.00 each;

(b) The Association will send the Requesting Person an estimate of the Association's fees and expenses ("**costs**") to respond, compile, produce, and reproduce the Records requested. Any costs associated with a Records request must be paid by the Requesting Person in advance of delivery. A Requesting Person who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Records Policy.

(c) In the Board's absolute discretion, and with the concurrence of the Owner, the Association may agree to invoice the cost of the Records request to the Owner's account. The Owner must pay the total amount invoiced within thirty (30) days after the date a statement is mailed to the Owner. Any unpaid balance will accrue interest as Maintenance Charges as allowed under the Declaration.

5.06 Waiver of Notice and Costs. If, in the Association's discretion, a request for Records is deemed to be minimal, the Association may waive the notice requirements under 5.03 and the costs under 5.05.

5.07 **Records of Individual Owners**. Unless the Board receives express written approval from the individual Owner whose records are the subject of a request for inspection or copying, the following Records are not available for inspection or copying by any Requesting Person:

- (a) the financial records associated with an individual Owner;
- (b) Details of an individual Owner's violations of Dedicatory Instruments; and
- (c) personal information, including contact information, other than an address for an individual Owner.

ARCHITECTURAL GUIDELINES

These Architectural Guidelines for the general construction and maintenance items ("**Guidelines**") are promulgated in accordance with Texas Property Code Section 202.018 and supersede any guidelines relating to the maintenance and construction within the Subdivision that may have previously been in effect. These Guidelines are intended to supplement the Declaration, and will be effective when recorded in the Records of Tarrant County, Texas.

Any construction of a new Improvement, or Major Exterior Alterations [as defined in paragraph 6.04(f)] to an Owner's Lot that materially alters colors, materials, size, shape or design of the Improvements as originally constructed, must be approved by the Association's Architectural Control Committee ("**ACC**"), prior to the Owner commencing any such construction, repair or renovation of the new or altered Improvement.

ARTICLE 6

ARCHITECTURE AND LANDSCAPE SYSTEMS

- 6.01 **Purpose**. These are general guidelines to be used by the ACC in its review of Plans and Specifications. They are intended to provide the design philosophy of the ACC, and provide Owners with guidance in submitting applications to the ACC. The intent is to give direction in order to achieve the harmonious design of the Subdivision as discussed in the Declaration.
- 6.02 **Design Compatibility**. The proposed Improvement should be compatible with the architectural character of the Owner's house and the neighborhood setting. Compatibility is defined as similarity in architectural style, quality of workmanship, similar use of materials, color and construction details.
- 6.03 **Location and Impact on Neighbors**. The proposed construction should relate favorable to the landscape, the neighbors' homes and Improvements, and the existing structure of the neighborhood.

The primary concerns are access, view, sunlight, ventilation and drainage. For example, blocking views or breezes, casting an unwanted shadow on the neighbor's property, or infringing on a neighbor's privacy are to be avoided.

6.04 Architectural Criteria.

(a) Fences. Fencing is used to separate property, provide security, and visual privacy, or architecturally define space. In achieving any one of these goals a barrier is created which has both visual and physical impact on the boundaries of common land and property of adjacent homeowners. Careful consideration should be given to the basic fencing concept and the manner in which the concept is executed.

There are alternatives to fencing that may achieve the needed results. For example, short segments of screen fence may be combined with landscaping to achieve the desired amount of privacy without a severe impact on natural open space. Use of plant material alone can be an alternative.

Fence height should not be greater than is necessary for its intended use since fencing can have a significant impact on adjoining properties and community open space. The height and design of fences should generally conform to other fencing in the area.

(1) Property Separation. Where the Owner's goal is property separation but not privacy, an "open" fence may be appropriate. Open fences; provide visual definition of property boundaries without obstructing views. This type of fencing is most appropriate for large land areas and therefore is applicable primarily to detached houses.

(2) Security. Many Owners wish to restrict children or pets to or from their property. Security fences where privacy is not a factor can be the "open" type. Where security is desired for safety reasons, such as around swimming pools, vertical fencing of sufficient height would be more appropriate since horizontal fencing may easily be climbed by small children.

(3) Architectural Definition of Space. The definition of outdoor space for strictly architectural reasons encompasses some of the suggestions made above but for strictly visual rather than functional reasons. More "solid" fencing will provide a strong visual barrier; however, the same effect may be achieved by an "open" fence in conjunction with certain plant materials such as ivy which may be trained to grow on the fence.

In selecting a fence, it is important to remember that the Owner's functional needs must also be related to prevailing fence styles in the neighborhood. Location, height, materials and color are the primary factors which should be considered.

(4) Height. The height of a fence, the topography of the land and the relative distance of an observer affect both the amount of privacy afforded by a fence and its degree of visual impact.

(5) **Location**. Most fencing involves boundary line consideration to some degree. Therefore, applications must show exact relationship with property lines. Extending privacy fencing farther from the house does not necessarily increase privacy but can adversely increase the impact on common open space. Therefore, the extension of privacy fencing from the face of the house should be minimized.

(6) **Materials and Colors**. Fencing should be compatible with the materials and colors on the exterior of the Owner's house, and the prevailing materials on adjacent houses. Continuity of texture and the scale of materials should be considered. In many cases, fencing may be left to weather naturally.

Masonry may be an integral part of a fence scheme. Masonry should match the masonry used on the exterior of the Owner's house.

(b) **Decks**. Decks are an extension of the house and thus have significant impact on its appearance. Decks may also affect the privacy of adjacent Lots. These two factors are weighted heavily in the review of applications. Decks should be compatible in materials and color with the Owner's house. In many cases, wood left to weather naturally is an acceptable. Modifications to existing decks should provide continuity in detailing such as material, color, and the design of railing and trim.

Deck configurations should relate to the plan outline and window and door openings of the house where possible. Approvals of other exterior modification such as new exterior door locations which are a part of the deck application are contingent upon completion of the deck. Privacy of adjacent homes should be considered when planning decks. Decks attached to the home should not adversely affect the privacy of an adjacent Lot Owner. Planting should be provided at post foundations and on low decks to screen other structural elements and to soften visual impact. Shadow patterns created by decks should be considered both as they affect the use of outdoor space as well as impact on grass and plant material.

If changes in grade or other conditions which will affect drainage are anticipated, they must be indicated. Generally, approval will be denied if adjoining Lots are adversely affected by changes in drainage.

(c) **Storm and Screen Windows and Doors**. Storm or screen doors should be painted to match entry doors behind them. However, special consideration will be given to doors that match architectural trim. Consideration will depend upon the design of the particular door and its relation to the design of the house and adjacent houses.

Generally, storm windows and screen window frames should be compatible with the color of existing window frames.

(d) **Recreation and Play Equipment**. Equipment utilizing natural materials is encouraged. Metal play equipment, exclusive of the wearing surfaces (slide poles, climbing rungs, etc.), free standing basketball backboards and their poles should be painted a muted earth tone to blend with the natural surroundings and installed only in rear yards.

(e) **Swimming Pools.** The impact of required security fencing on open space is significant and must be carefully related to adjacent Lots. In addition, the Owner should consider safety within the pool areas.

Pools should be located in rear yards, although consideration will be given to property of unusual configuration or unusual topographic features. Generally, the walls of the swimming pool should be kept an adequate distance away from adjacent Lots.

The pool and any mechanical equipment must be protected by a fence. Fences and gates should conform to that portion of these guidelines pertaining to fencing. Approval of the fence will be considered a part of the swimming pool application and shall be contingent upon completion of the pool.

(f) **Major Exterior Alterations.** Major alterations are generally considered to be those which substantially alter the existing structure either by subtraction and/or addition. However, other site changes such as driveway modifications are also included.

The design of major alterations should be compatible in scale and materials with the Owner's home. Pitched roofs should match the slope of the roof on the applicant's house.

If changes in grade or other conditions which will affect drainage are anticipated, they must be indicated. Generally, approval will be denied if adjoining Lots are adversely affected by changes in drainage.

Construction materials should be stored so that impairment of views from neighboring properties is minimized. Excess material and debris should be removed as soon as possible.

(g) **Greenhouses.** Greenhouses should be located in the rear of the Lot, although in special instances side yard locations will be given consideration. The greenhouse should maintain a continuity of building lines, materials, etc., with the primary structure.

(h) **Miscellaneous.** There are numerous exterior modifications which are of a smaller scale than the previously noted items but still require approval.

(i) **Air Conditioners.** Window air conditioner units visible from the street are not allowed.

Compressors for central air conditioning units should be screened by architectural treatment, or appropriate landscaping, or fencing.

(j) **Attic Ventilators.** Attic ventilators or other mechanical apparatus requiring penetration of the roof should be as small in size as functionally possible and should be painted to match the roof. They should be located generally on the least visible side of the roof.

(k) **Chimneys and Metal Flues.** Masonry chimneys and wood flue enclosures may be used when compatible in design, location, and color with the existing house.

(l) **Dog Houses and Runs**. Chain link fences for dog runs will be considered if erected inside privacy fencing, painted to match background, softened by supplemental landscaping, well-screened in a wooded area, or combinations of the above.

(m) **Exterior Lighting**. No exterior lighting shall be directed outside the Owner's Lot. Light fixtures which are proposed in place of the original fixtures should be compatible in style and scale with the Owner's house.

Applications for exterior lighting should include wattage, height of light fixtures above ground, and a complete description, including descriptive material of the light fixture and location on property.

(n) **Window Curtains**. Windows which are located on a garage should have some type of curtain to screen autos or equipment from outside view. If curtains have a design or color which clashes with the exterior color selection they should be lined to present a more pleasant appearance from the exterior. Windows are allowed on garage doors.

(o) **Exterior Painting**. Repainting or staining to match original colors need not be submitted. Color changes apply not only to the house siding, but also to doors, shutters, trim, roofing, and other appurtenant structures. Change of exterior color should relate to the colors of other houses in the immediate area and must be approved by the ACC.

(p) **Trash Cans and Recycle Bins**. Trash cans, containers for garbage, tied bundles of plant material, bags of rubbish, etc. should be kept inside the garage or in suitable screened enclosure to the side or rear of the house. Locations at the front of the house will not be approved.

(q) **Mailboxes**. The design and materials of mailboxes should be either brick or rock structure and should attempt to be compatible with other mailboxes and should relate to the materials used on the house. The metal portion should be painted the color approved by the ACC.

(r) **Permanent Barbecue Pits**. Permanent barbecue pits visible from the street are not allowed.

(s) **Retaining Walls**. Retaining walls may be used to preserve trees, improve drainage patterns, and define areas. Walls should be kept as low as possible. Use of indigenous rock or wood in combination with appropriate landscaping is encouraged.

Because retaining walls may alter existing land forms, the design of such walls should be carefully considered to avoid adversely affecting drainage patterns.

(t) **Shutters**. Shutters which are added to a house should be compatible with the style of the house and should be of proper proportions to match the window to which they relate. Colors should be compatible with the colors of the house and neighborhood.

(u) **Roofing Materials**. Proposed roofing material which is a change from the existing roofing material must be approved by the ACC to conform with the highest standards of

quality, and of such color and texture so as to be harmonious with the existing neighborhood.

6.05 Landscaping.

Landscaping can be effectively used to accent entryways, define space, create "soft" privacy screens, and reduce the visual impact of fences, etc.

Care should be exercised in the planting and maintenance of trees and shrubs to prevent obstruction of sight lines required for vehicular traffic.

Care should be exercised in selecting plant materials which upon maturity will be of an appropriate size in height and breadth for its intended use and locations. Mature size, both in height and diameter should always be considered especially when planting close to walkways and houses.

(a) **Vegetable Gardens.** While vegetable gardens offer certain rewards, gardens and gardening equipment can often be unsightly. Gardens should be generally located in rear yards. Visual screening from view by adjacent Lots should be provided by means of solid fencing or screening plants. Gardens should be located so as to not cause water to run onto adjacent Lots during periods of supplemental watering. Gardens should be properly maintained during the growing season. After the growing season, dead plants, stakes, etc., should be removed.

(b) **Composting Devices.** A composting device may be installed in the rear yard but may be no larger than 4ft wide X 4 ft long X 4ft high, and be screened from public view.

6.06 Application Procedure.

All applications must be submitted via letter to the ACC. The application must be delivered to the Association offices or the Association President/Vice-President in time for the ACC to give proper consideration. Where appropriate, the application should contain the following information, to the extent required by the ACC:

- (a) Designs and plans, showing dimensions
- (b) Colors including paint chips
- (c) Elevations
- (d) Topography
- (e) Materials to be used described in detail
- (f) Distances from existing buildings on adjacent property
- (g) Sketch or photograph of a manufacturer's product
- (h) Provisions for drainage

It is very important to clearly indicate all factors relevant to the project. Lack of information could result in either a modified decision or denial.

Major projects, such as a new house, addition, or swimming pool require detailed plans not only for the ACC but also for a building permit from the City. Therefore, it is suggested that a preliminary application be filed with sketches to reduce plan preparation cost. These can be reviewed by the ACC and preliminary approval can be given based

upon comments made by the ACC. Note; any preliminary approval granted is contingent upon submission of final plans. Preliminary approval is construed as approval to prepare final plans and not as approval to proceed with construction.

The ACC is to be notified upon completion of the project. If an Owner is found to have deviated from the approved plans, action will be taken to bring the project into compliance. The pace of construction will be noted in the comment section of the ACC letter.

ARTICLE 7

INSTALLATION OF RAIN BARRELS OR RAIN WATER HARVESTING SYSTEMS

7.01 Guidelines. These Architectural Guidelines for the Installation of Rain Barrels or Rainwater Harvesting Systems are promulgated in accordance with Texas Property Code Section 202.007 and supersede any guidelines relating to the regulation of rain barrels or rainwater harvesting systems that may have previously been in effect.

7.02 Systems. Rain barrels or rainwater harvesting systems and related system components (collectively, "Rain Harvesting System") may be installed only after receiving written approval from the ACC. Approval will not be unreasonably withheld, conditioned, or delayed as long as the installation complies with the provisions of these Guidelines.

(a) No Rain Harvesting System may be installed on or within Common Area and Facilities or any area maintained by the Association.

(b) Under no circumstances may a Rain Harvesting System be installed or located in or on any area within a Lot that is between the front of the Owner's Living Unit and an adjoining or adjacent street.

(c) Any Rain Harvesting System approved by the ACC must be located within the fenced yard or back patio of the Owner's Lot.

(d) Any Rain Harvesting System approved by the ACC must not be visible from the street, another Owner's Lot, or the Common Area and Facilities.

7.03 Components. Other than gutters and downspouts conventionally attached to a Living Unit or appurtenant Improvement, all components of a Rain Harvesting System, such as tanks, barrels, filters, pumps, motors, pressure tanks, pipes, or hoses must be substantially screened from public view from any street or Common Area and Facilities. Screening may be accomplished by one of the following:

(a) placing equipment behind a solid fence, a structure, or vegetation;

(b) burying the tanks or barrels; or

(c) placing equipment in an outbuilding approved by the ACC.

- 7.04 **Exceptions.** A rain barrel may be placed in a location that is visible from a street or Common Area and Facilities only if the configuration of the guttering system on the Owner's Living Unit precludes screening as described in Section 5.03, and the following restrictions are met:
- (a) the barrel does not exceed fifty-five (55) gallons;
 - (b) the barrel is installed in close proximity to the Owner's Living Unit on a level base with the guttering downspout leading directly to the barrel inlet at a substantially vertical angle;
 - (c) the barrel is fully painted in a single color to blend with the adjacent Living Unit, fence, or vegetation; and
 - (d) any hose attached to the barrel discharge is neatly coiled and stored behind or beside the rain barrel in the least visible position when not in use.
- 7.05 **Overflow.** Overflow lines from a Rain Harvesting System must not be directed onto or adversely affect adjacent Living Units or Common Area and Facilities.
- 7.06 **Color.** A Rain Harvesting System must be of a color that is consistent with the color scheme of the Owner's Living Unit and may not contain or display any language or other content that is not typically displayed on the Rain Harvesting System as manufactured.
- 7.07 **Closures.** Inlets, ports, vents, and other openings must be sealed or protected with mesh to prevent children, animals, and debris from entering the Rain Harvesting System. Open top storage containers are not allowed.
- 7.08 **Use.** Harvested water must be used and not allowed to become stagnant or a health threat.
- 7.09 **Responsibility.** A Rain Harvesting System must be properly maintained at all times by the Owner or removed by the Owner.

ARTICLE 8

INSTALLATION OF SOLAR PANELS

- 8.01 **Guidelines.** These Architectural Guidelines for the Installation of Solar Panels are promulgated in accordance with Texas Property Code Section 202.010 and supersede any guidelines relating to the regulation of solar energy devices that may have previously been in effect.
- 8.02 **Equipment.** Solar energy devices, including any related equipment or system components (collectively, "Solar Panels"), may be installed only after receiving written approval from the ACC. Approval will not be unreasonably withheld, conditioned, or delayed as long as the installation complies with the provisions of these Guidelines.

(a) Solar Panels may not be installed on or within a Common Area and Facilities or any area maintained by the Association.

(b) Solar Panels may be installed only on designated locations on the roof of the Owner's Living Unit, or any other Improvement located on the Owner's Lot, permitted under any of the Restrictions, or within any fenced rear-yard or fenced-in patio of an Owner's Lot.

(c) If located on the roof of the Owner's Living Unit, Solar Panels must be located on the roof facing away from the nearest road or street, unless the Owner demonstrates that the location decreases the estimated annual energy production of the Solar Panels, as determined by using a publicly available modeling tool provided by the Natural Renewable Energy Laboratory (or its successor), by more than ten percent (10%) above the energy production of the Solar Panels.

8.03 Requirements: Roof Mounted. If located on the roof of the Owner's Living Unit, Solar Panels must meet the following requirements:

(a) they must not extend higher than or beyond the roofline;

(b) they must conform to the slope of the roof;

(c) they must have a top edge that is parallel to the roofline; and

(d) they must have a frame, support bracket, or visible piping or wiring that is in a silver, bronze, or black tone commonly available in the marketplace and that blends with the color of the roof to the greatest extent possible.

8.04 Requirements: Yard Mounted. If located in the fenced rear-yard or fenced-in patio, Solar Panels must not be taller than the fence line.

8.05 Approval. The ACC may deny a request for the installation of Solar Panels if it is determined in writing that the placement of the Solar Panels as proposed by the Owner constitutes a condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The ACC will approve a request for the installation of Solar Panels if (a) the installation meets all other requirements contained in these Guidelines and (b) the ACC determines that the placement of the Solar Panels as proposed by the Owner complies with applicable requirements of the Texas Property Code.

8.06 Responsibility. Any installation of Solar Panels that voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.

(a) Solar Panels must be properly maintained at all times or removed by the Owner.

(b) Solar Panels that become non-functioning or inoperable must be removed by the Owner.

- 8.07 **Prohibitions.** Solar Panels are prohibited if a municipal or county agency, or a court of competent jurisdiction determines that their installation violates any laws or threatens the public health or safety.

ARTICLE 9

DISPLAY OF POLITICAL SIGNS

These Architectural Guidelines for the Display of Political Signs are promulgated in accordance with Texas Property Code Section 202.009 and supersede any guidelines relating to the display of political signs that may have previously been in effect.

9.01 **Length of Display.**

- (a) Signs may not be erected before the 90th day before the date of the election to which the sign relates.
- (b) Signs must be removed before the 10th day after the election date.

9.02 **Requirements.**

- (a) Signs must be ground-mounted.
- (b) Only one sign for each candidate or ballot item may be displayed.
- (c) Signs may not contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component.
- (d) Signs may not be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object.
- (e) Signs may not be larger than four feet (4') by six feet (6').

9.03 **Location.** Signs may only be erected on the Owner's Lot. No sign may be erected on Common Areas and Facilities.


9.04 **Prohibitions.** To the extent allowed by applicable laws, any displayed or erected political signs are prohibited if a court of competent jurisdiction determines that the political signs do any of the following:

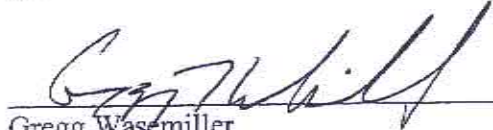
- (a) threaten public health or safety;
- (b) violate any laws;
- (c) contain language, graphics, or any display that would be offensive to the ordinary person; or

(d) is accompanied by music or other sounds or by streamers or is otherwise distracting to motorists.

9.05 **Removal.** A property owners' association may remove a sign displayed in violation of a restrictive covenant permitted by this section.

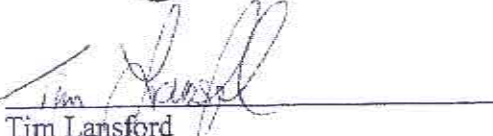
Approval of Policies and Guidelines By:


Steve Gervais


Gregg Wasemiller


Carl E. Greer


Alex Allred


Tim Lansford

Secretary's Affidavit

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned notary public, Tonya Blakesley, on this 16 day of August, 2017, personally appeared Alex Allred, known to me to be a credible person and of lawful age, who being by me first duly sworn, on his oath deposed and states:

"My name is Alex Allred, and I currently serve as secretary of The Bay Club Homeowners Association. This affidavit is attached to an accurate copy of a document entitled "Policies and Guidelines of The Bay Club Homeowners Association," which was duly adopted by The Bay Club Homeowners Association board of directors on the 29th day of July, 2017. This document is in full force and effect."



ALEX ALLRED

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Sworn to and subscribed before me on the 16 day of August, 2017, by Alex Allred, secretary of The Bay Club Homeowners Association.

Tonya Blakesley
Notary Public in and for
the State of Texas

