



AFTER RECORDING RETURN TO:
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THE DOMINION COTTAGE ESTATES COMMUNITY MANUAL

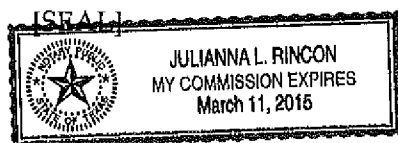
The undersigned hereby certifies that he/she is the duly elected, qualified and acting Secretary of The Dominion Cottage Estates Owners' Association, Inc., a Texas non-profit corporation (the "**Association**"), and that this is a true and correct copy of the current Community Manual of the Association adopted by the Board of Directors of the Association.

IN WITNESS WHEREOF, the undersigned has executed this certificate on the 29 day of December, 2011.

Andrew J. Cottingham, Jr.
 Secretary

STATE OF TEXAS §
 COUNTY OF Bexar §

This instrument was acknowledged before me of this 29 day of December 2011, by Andrew J. Cottingham, Jr., the Secretary of The Dominion Cottage Estates Owners' Association, a Texas non-profit corporation, on behalf of said corporation.



Julianna L. Rincon
 Notary Public Signature

Cross-reference to Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "**Declaration**").

In the event of a conflict between the terms and provisions of the Restrictions (defined below) or any policies adopted by the Board prior to the effective date of this instrument, the terms and provisions this instrument shall control.

**THE DOMINION COTTAGE ESTATES
COMMUNITY MANUAL**

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ATTACHMENT 1

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC.
CERTIFICATE OF FORMATION

Non--Profit



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION OF

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC.
CHARTER NO. 1106893

The undersigned, as Secretary of State of the State of Texas, hereby certifies that Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation and attaches hereto a copy of the Articles of Incorporation.

Dated MAR. 6, 1989.



Paul M. Rogers
Secretary of State

ceb

COPY
FILED
In the Office of the
Secretary of State of Texas

MAR 06 1989

Clerk I-B
Corporations Section

ARTICLES OF INCORPORATION
OF

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC.

Pursuant to the provisions of Article 3.01 of the Texas Non-Profit Corporation Act, TEX. REV. CIV. STAT. ANN. Art. 1396-1.01, et seq. (Vernon 1980 and Supp. 1988), the undersigned Incorporator adopts the following Articles of Incorporation:

ARTICLE I

The name of the corporation is The Dominion Cottage Estates Owners' Association, Inc. (the "Corporation").

ARTICLE II

The period of duration of the Corporation is perpetual.

ARTICLE III

The Corporation is a non-profit corporation.

ARTICLE IV

The street address of the initial registered office of the Corporation is 4807 Spicewood Springs Road, Suite 5200, Austin, Texas 78759, and the name of the initial registered agent for the Corporation at such address is Jerry Courson.

ARTICLE V

The purpose for which the Corporation is organized is to govern the property subject to the Declaration of Protective Covenants for The Dominion Cottage Estates, recorded in Volume 3656, Page 1033, Official Public Records of Real Property of Bexar County, Texas (the "Original Declaration") as corrected by Correction to Declaration of Protective Covenants for The Dominion Cottage Estates, recorded in Volume 4397, Page 1416, Official Public Records of Real Property of Bexar County, Texas (the "First Amendment"), as amended by Correction and Amendment to Declaration of Protective Covenants for The Dominion Cottage Estates, recorded in Volume 4435, Page 776, Real Property Records of Bexar County, Texas (the "Second Amendment") as corrected and amended by the Correction and Amendment to Declaration of Protective Covenants for The

Dominion Cottage Estates recorded under County Clerk's File No. 1684609 of the Real Property Records of Bexar County, Texas (the "Third Amendment"), and as it may hereafter be amended. The Original Declaration as amended by the First Amendment, the Second Amendment and the Third Amendment, and as the same may hereafter be amended from time to time, is referred to herein as the "Declaration." The property subject to the Declaration is that certain property currently subject to the Declaration, which property is described in the following subdivision plats:

1. Dominion Cottage Estates Subdivision, Unit 1, P.U.D., recorded in Volume 9512, Page 82, Deed and Plat Records of Bexar County, Texas;
2. Dominion Cottage Estates Subdivision, Unit 2, P.U.D., recorded in Volume 9512, Page 85, Deed and Plat Records of Bexar County, Texas;

and any other property annexed under the Declaration in the future pursuant to the terms of the Declaration. All property now or hereafter subject to the Declaration is referred to herein as the "Property." The term "Declarant" shall mean and refer to National Credit Union Share Insurance Fund, an agency of the United States Government, and any other party to whom the agency assigns in writing any of its rights under the Declaration. Unless otherwise defined herein, all capitalized terms utilized in these Articles of Incorporation shall have the meanings ascribed to them in the Declaration.

More particularly, the Corporation is formed for the purpose of promoting the orderly use of the Property, preserving and maintaining certain portions of the Property as provided in the Declaration with the objective of enhancing the land value and establishing a desirable environment for owners and occupants of the Property and improvements and promoting the health, safety and welfare of the owners and occupants of the Property and for these purposes to:

- (a) exercise all of the powers and privileges and perform all of the duties and obligations of the Corporation as set forth in the Declaration;
- (b) enter into contracts and such other agreements necessary to perform or have performed such services as may be required to accomplish the stated purposes of the Corporation;

(c) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of the business of the Corporation, including all licenses, taxes or government charges levied or imposed against the property of the Corporation;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, or convey, sell, lease, transfer, dedicate or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(e) borrow money and with the assent of the membership vote, mortgage, pledge, deed in trust or hypothecate any or all of the Corporation's real or personal property as security for money borrowed or debts incurred;

(f) dedicate, sell or transfer all or any part of the Common Properties or Common Area to any public agency, authority or utility for any service to the Property or any part thereof;

(g) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property in accordance with the Declaration; and

(h) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of Texas by law may now or hereafter have or exercise.

Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this Corporation.

ARTICLE VI

The Members of the Corporation shall consist of the Declarant and each Owner of a Lot. To further clarify the definition of Member and Owner as used herein, Member and Owner shall each include the person or persons who, individually or

collectively, of record, own full legal title to a Lot, but shall not include those having an interest in a Lot merely as security for the performance of an obligation. Any person buying a Lot under a contract for deed or contract for sale or otherwise having beneficial title to a Lot shall not be considered an Owner (or Member) until legal title is transferred to such person of record. Person means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property. Each Owner shall automatically become a Member of this Corporation upon becoming an Owner and be subject to its Bylaws. Such membership shall terminate without any formal Corporation action whenever such person ceases to be an Owner of a Lot, but such termination shall not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with this Corporation during the period of such ownership and membership in this Corporation, or impair any rights or remedies which the other Members have, either through the Board or directly against such former Member arising out of or in any way connected with the ownership of a Lot and membership in this Corporation and the covenants and obligations incident thereof.

ARTICLE VII

Initially the Corporation shall have one class of Members. The Members shall consist of the Declarant and the Owners of Lots. However, prior to the earliest of (1) January 1, 1999, (2) the date when 90% of the Lots in the Property are conveyed Owners other than Declarant, or (3) the date when in Declarant's sole opinion the Corporation is fully viable, self-supporting and operational and the Declarant chooses to relinquish its control of the Corporation, the Declarant shall retain the absolute right to control the Corporation and elect its Board of Directors. Thereafter, and except as limited in the Corporation's Bylaws, each Member (including Declarant) shall be entitled to one vote per Lot owned on each matter submitted to a vote at a meeting of the Members. Declarant shall continue as a Member so long as it is an Owner.

ARTICLE VIII

The initial Board of Directors shall consist of three (3) Directors. The names and addresses of the persons who are selected to act in the capacity of Director until the election of their successors are:

<u>Name</u>	<u>Address</u>
Jerry Courson	4807 Spicewood Springs Rd. Suite 5200 Austin, Texas 78759
William Callahan	4807 Spicewood Springs Rd. Suite 5200 Austin, Texas 78759
Richard Thum	1 Ashley Green San Antonio, Texas 78257

ARTICLE IX

The Corporation shall not incur and have outstanding at any one time indebtedness in excess of \$100,000.00, unless such additional indebtedness is approved by the vote of at least two-thirds of the votes entitled to be cast by Members. No mortgage shall be given by the Corporation on the Common Properties or Common Area unless approved by the vote of at least two-thirds of the votes entitled to be cast by Members.

ARTICLE X

The Corporation shall indemnify its directors and officers from and against any and all liabilities, costs and expenses incurred by them in such capacity to the fullest extent permitted by the Texas Non-Profit Corporation Act, as presently in effect and as may be hereafter amended, and shall have the power to purchase and maintain liability insurance coverage for those persons as, and to the fullest extent, permitted by the Act, as presently in effect and as may be hereafter amended. The rights of indemnification and reimbursement provided for in this Article X shall not be deemed exclusive of any other right to which any such director, officer, employee or agent may be entitled under the Bylaws, the Declaration, agreements or votes of Members, or as a matter of law or otherwise.

ARTICLE XI

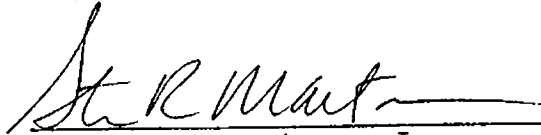
A Director of the Corporation shall not be personally liable to the Corporation or its Members for monetary damages for an act or omission in the Director's capacity as a director, except for liability for (a) a breach of the Director's duty of loyalty to the Corporation or its Members,

(b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law, (c) a transaction from which the Director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the Director's office, or (d) an act or omission for which the liability for the Director is expressly provided for by statute.

ARTICLE XII

The undersigned Incorporator, Steven R. Martens, is a natural person of the age of 18 or more, whose address is 100 Congress Avenue, Suite 1100, Austin, Texas 78701.

EXECUTED this 6th day of March, 1989.


Steven R. Martens, Incorporator

ATTACHMENT 2

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC.
BYLAWS

BYLAWS OF
THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC.

ARTICLE I

PURPOSE AND PARTIES

1.1 Purpose. The purpose for which The Dominion Cottage Estates Owners' Association, Inc. (the "Corporation") is formed is set forth in Article V of the Corporation's Articles of Incorporation. Unless otherwise defined herein, all capitalized terms utilized in these Bylaws shall have the meanings ascribed to them in the Declaration and Articles of Incorporation.

1.2 Parties. All present or future Owners, tenants or any other person who might use in any manner the Properties or the facilities on the Properties are subject to the provisions of and any rules and regulations set forth pursuant to these Bylaws. The acquisition, lease or rental of any Lot or the mere fact of occupancy of a Lot will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

ARTICLE II

VOTING

2.1 Membership and Voting. The criteria for membership and voting are set forth in Articles VI and VII of the Corporation's Articles of Incorporation. If any Member (i.e., Owner) consists of more than one person, the vote of such Member shall not be divided but shall be exercised as if the Member consisted of only one person. Except where the vote of a greater number is required by another section of these Bylaws or the Declaration or Articles of Incorporation, the vote of a majority of the votes entitled to be cast by the Members present (in person or by proxy) at a meeting at which a quorum is present shall be necessary to transact business and to adopt decisions binding on all Members. A Member shall be eligible to vote at any annual or special meeting of the Members only if he shall have fully paid all Assessments made or levied against him and/or his Lot which are due and payable and his voting rights have not been suspended for failure to comply with the Declaration, these Bylaws or the rules and regulations promulgated by the Board governing the use of the Properties. In the event a Member is the Owner of more than one Lot, the Member shall have one vote for each Lot.

2.2 Representative of The Dominion Homeowner Association. A representative of The Dominion Homeowner Association shall be given all notices given to a Member and shall be allowed to attend all annual and special meetings of the Members. The representative of The Dominion Homeowner Association shall have no right to vote.

2.3 Quorum. Except where a greater percentage of votes is required by the Articles of Incorporation, these Bylaws or the Declaration, a quorum of Members for any meeting of the Members shall be consisted by the presence, in person or by proxy, of at least thirty percent (30%) of the votes entitled to be cast. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote at such meeting, present in person or by proxy, shall have the power to adjourn the meeting from time to time without other notice than announcement at the meeting, until a quorum shall be present or represented. Those Members present at the reconvened meeting shall constitute a quorum, provided they represent, in person or by proxy, at least twenty percent (20%) of the votes entitled to be cast. When any adjourned meeting is reconvened and such a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. Once a quorum is constituted, the Members present or represented at such meeting may continue to transact business until adjournment, despite the withdrawal of enough Members to leave less than a quorum.

2.4 Proxies. Votes may be cast in person or by written proxy. No proxy shall be valid after eleven (11) months from the date of its execution unless specifically provided in the proxy. All proxies must be filed with the Secretary of the Corporation before the appointed time of each meeting.

2.5 Rules. Robert's Rules of Order (latest edition) shall govern the conduct of the Corporation's meeting when not in conflict with the Declaration, the Corporation's Articles of Incorporation or Bylaws, or the Texas Non-Profit Corporation Act [TEX. REV. CIV. STAT. ANN. Art. 1396-1.01 et seq. (Vernon 1980 and Supp. 1988)] (the "Act"), as presently in effect and as may be hereafter amended.

ARTICLE III

CORPORATION MEETINGS

3.1 Annual Meetings. The first annual meeting of the Members of the Corporation shall be held within a reasonable

period (not to exceed 120 days) after the earliest of (a) January 1, 1999, (b) the date 90% of the Lots in the Properties are conveyed to Owners other than Declarant, or (c) the date when, in Declarant's sole opinion, the Corporation is fully viable, self-supporting and operational and the Declarant chooses to relinquish control. Thereafter, the annual meetings of the Corporation shall be held on the last Tuesday of the same month, or at such other reasonable time not more than sixty days before or after such date. At such meetings there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Section 4.1 of these Bylaws. The Members may also transact such other business of the Corporation as may properly come before them.

Prior to the first annual meeting of all the Members described above, the Declarant may call a meeting of the Members for informational purposes. However, prior to the occurrence of an event triggering the calling of the first annual meeting described above, Declarant shall have all of the votes and may take any action through the Board that could be taken by the Members at a meeting of the Members.

3.2 Special Meetings. Special meeting of the Members of the Corporation may be called by the President, the Board, or by Members having not less than one-tenth (1/10th) of the votes entitled to be cast at such meeting. Notice of a special meeting shall state the purpose of the special meeting and no business except as stated in the notice shall be transacted at the special meeting.

3.3 Place of Meeting. Meetings of the Members of the Corporation shall be held at such suitable place, convenient to the Members, as the Board may determine.

3.4 Notice of Corporation Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Member not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officers or Members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Member at his address as it appears on the records of the Corporation, with postage thereon paid. The Corporation or its Board or its agents, shall obtain a certificate of mailing to evidence proof of mailing the notice of Corporate meetings.

3.5 Record Date. The Board of Directors of the Corporation may fix in advance a record date for the purpose of determining Members entitled to notice of or to vote at a meeting of the Members, such record date to be not less than fifteen (15) days nor more than fifty (50) days prior to such meeting. In the absence of any action by the Board of Directors establishing a record date, the date on which the notice of the meeting is first given to any Member shall be deemed the record date.

ARTICLE IV

BOARD OF DIRECTORS

4.1 Number and Qualification. The affairs of the Corporation shall be governed by a Board of Directors consisting of three natural persons. The initial Board shall consist of the three persons designated in the Articles of Incorporation. The initial Board (or replacement directors appointed by the Declarant) shall govern until new Directors are elected at the first annual meeting of the Members of the Corporation which shall be held within a reasonable period (not to exceed 120 days) after the earliest to occur of the following: (a) January 1, 1999, (b) the date 90% of the Lots in the Properties are conveyed to Owners other than Declarant, or (c) the date when, in Declarant's sole opinion, the Corporation is fully viable, self-supporting and operational and the Declarant chooses to relinquish control of the Corporation. At the first annual meeting of the Members of the Corporation after the Declarant's control period ends, the Members shall elect three Directors, one for a term of one year, one for a term of two years and one for a term of three years, who shall govern the affairs of the Corporation until their successors have been duly elected and qualified. At each annual meeting thereafter, the Members shall elect one Director for a three-year term to replace the Director whose term is expiring. Each elected Director shall be a Member (i.e., Owner). In addition, at least two of the three elected Directors shall be residents of the Properties. For the purpose of this requirement, "resident" shall mean an Owner who resides on the Properties at least three months during each calendar year. If a Director ceases to be a Member during his term, he shall thereupon be ineligible to serve as a Director and his place on the Board shall be deemed vacant. If a Member is a corporation or partnership or other legal entity, its officer, partner or other authorized representative of such Member may be a Director. The number of Directors may be increased or decreased from time to time by amendment to the

Bylaws, provided that no decrease shall cause the Board to be constituted with less than three persons, and provided further that no decrease shall have the effect of shortening the term of any incumbent director.

4.2 Election of Directors. Each Member may vote for as many persons as there are Directors being elected. Cumulative voting shall not be allowed. The nominees receiving the greatest numbers of votes shall constitute the new Board of Directors.

4.3 Term. Except for Directors elected at the first annual meeting of the Members with terms of one or two years, the term of office of a Director shall be three (3) years. Each Director shall hold office for the term of three years (unless he is sooner disqualified, removed, resigns or is re-elected) and until his successor shall have been elected or appointed and qualified. At each annual meeting new Directors will be elected to replace those Directors whose terms are expiring.

4.4 Vacancies. Vacancies in the Board caused by death, resignation, disqualification, removal or any other reason, shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Corporation. Any Director who, without approval of the other Directors, fails to attend three consecutive Board meetings or fails to attend at least fifty percent (50%) of the Board meeting during any year shall be deemed to have tendered his resignation and, upon acceptance by the Board, his position shall be vacant. A Director may resign at any time by giving written notice of his resignation to the President or the remaining Directors.

4.5 Removal of Directors. At any regular or special meeting of Members duly called, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of seventy-five percent (75%) of the votes entitled to be cast by Members present, in person or by proxy. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

4.6 Compensation. Directors shall receive compensation for their services as Directors.

4.7 Quorum. A majority of the Directors shall constitute a quorum for the transaction of business by the Board.

4.8 Voting. The act of the majority of the Directors present in person or by proxy at a meeting at which a quorum is in attendance shall be the act of the Board.

4.9 Action by Unanimous Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting if consent in writing, setting forth the action to be taken, shall be signed by all of the Directors.

4.10 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors but at least one such meeting shall be held during each calendar quarter. The first meeting of a newly elected Board shall be held immediately following the annual meeting of the Corporation at which the Board was elected and at the same place, without other notice than these Bylaws. The Board may provide by resolution for the time and place within Bexar County, Texas, for the holding of additional regular meetings without other notice than such resolution. In the absence of such a resolution, notice of other regular meetings of the Board shall be given to each director, personally or by mail, telephone or telegraph, at least two (2) days prior to the day named for such meeting.

4.11 Special Meetings. Special meetings of the Board may be called by the President on two (2) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time and place of the meeting anywhere within Bexar County, Texas. Special meetings of the Board shall be called by the President or Secretary of the Corporation in a like manner and on like notice on the written request of two or more Directors.

4.12 Assessment Meetings. After the Sale and Development period, for regular or special meetings of the Board at which the Board is to vote on increasing the maximum annual assessment or imposing a special assessment, written notice of such meetings shall be sent to all Members not less than fifteen (15) days nor more than fifty (50) days in advance of the meeting. This notice requirement is in addition to the standard notice requirement for Directors for such Board meeting.

4.13 Waiver of Notice. Before or after any meeting of the Board any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting

of the Board shall be a waiver of notice by him of the time and place thereof, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground the meeting is not lawfully called. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The Board may also act without a meeting by a unanimous written consent of all directors.

4.14 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Corporation, including the operation and maintenance of the Common Properties and performance of the Corporation's other duties as set forth in the Declaration. The Board may do all such acts and things necessary to carry out the purposes of the Corporation as set out in the Articles of Incorporation and Declaration except those things that by law, the Articles of Incorporation, these Bylaws, or the Declaration are reserved expressly to the Members and are not subject to delegation to the Board. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Members:

(a) to elect and remove the officers of the Corporation as hereinafter provided;

(b) to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration or Bylaws and amendments thereto;

(c) to establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, maintenance and use of the Common Properties, with the right to amend same from time to time, a copy of which, and all amendments thereto, shall be delivered or mailed to each Member promptly upon the adoption thereof;

(d) to formulate procedures for performance of the Corporation's responsibilities as set forth in the Declaration, including but not limited to the administration, operation and maintenance of the Common Properties or Common Area;

(e) to engage, at the Board's option, the services of an agent (herein sometimes called the "Managing Agent"), to maintain, repair, replace, administer and operate the Common Properties or Common Area or any part thereof for all of the Members and perform other duties of the Corporation upon such

terms and for such compensation and with such authority as the Board may approve subject to the provisions of the Declaration; provided, however, no management contract shall be for a term of over one year and all such contracts shall provide for termination by the Board, with or without cause (and without payment of a termination fee) on thirty (30) days written notice. The Board shall not delegate to a Managing Agent the authority to enter into any single contract or transaction involving the expenditure of more than One Thousand Dollars (\$1,000.00) in any one fiscal year;

(f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance and performance of the Corporation's duties, including repair of the Common Properties or Common Area; provided, however, all contracts entered into by the Board shall provide for immediate termination by the Board, with or without cause (and without payment of a termination fee);

(g) to determine the fiscal year of the Corporation and to change said fiscal year from time to time as the Board deems advisable;

(h) to prepare the annual budget, and to provide the procedure for assessing and collecting from the Members their Assessments, pursuant to the Declaration and Article VII hereof;

(i) to keep and maintain complete and accurate books and records showing all receipts, expenses or disbursements of the Corporation and to permit examination thereof at any reasonable time by each of the Members;

(j) to enter into contracts and agreements within the scope of their duties and powers;

(k) to obtain and maintain such policies of hazard insurance in such amounts as the Board deems appropriate on property owned by the Corporation, and to obtain and maintain such liability insurance and other insurance as the Board deems appropriate;

(l) to establish such bank account(s) for the Corporation's funds as the Board deems advisable;

(m) subject to any limitations in the Article of Incorporation or these Bylaws, to borrow funds in order to

for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration, the Articles of Incorporation and these Bylaws, and to provide for the execution of all such instruments evidencing such indebtedness as this Board may deem necessary;

(n) to protect and defend the Common Properties from loss and damage by suit or otherwise; provided, however, the Board shall make no settlement which results in a liability against the Board, the Corporation or the Common Properties or Common Area in excess of One Thousand Dollars (\$1,000.00) without the prior approval of the Members; and

(o) in general, to carry on the administration of the Corporation and to do all things necessary and reasonable in order to carry out the governing and the operation of the Properties and to perform the duties and obligations and exercise the rights and powers conferred upon the Board in the Declaration and these Bylaws.

4.15 Committees. The Board, by resolution passed by a majority of the Directors in office, may designate one or more committees, which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation. Each such committee to which the Board delegates its management authority shall consist of two or more Members, a majority of whom are directors, and the remainder of whom need not be directors. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the directors at a meeting at which a quorum is present, or by the President when authorized by a like resolution of the Board. All committees shall keep minutes of the proceedings and report to the Board as required.

4.15.1 Architectural Control Committee. The Board shall appoint an Architectural Control Committee composed of at least three (3) but no more than five (5) Members selected and appointed by the Board. The Architectural Control Committee shall exercise those powers and duties set forth in the Declaration. Each member of the Architectural Control Committee shall be a Member (i.e., Owner). The Members of the Architectural Control Committee shall receive no compensation for their services.

4.16 No Waiver of Rights. The omission or failure of the Corporation to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, these Bylaws or the rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Corporation shall have the right to enforce the same thereafter.

ARTICLE V

OFFICERS

5.1 Designation. The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall from time to time elect. The President and Vice-President shall be Directors but the other officers need not be Directors. Each officer shall be either a Member (i.e., Owner) or, if the Member is a partnership, corporation, or other legal entity, the authorized representative of such entity. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2 Election of Officers. The officers of the Corporation shall be elected annually by the Board at the first meeting of each new Board and shall hold office for a period of one year.

5.3 Resignation and Removal of Officers. Upon an affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.4 Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or otherwise of the officer previously filling such office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

5.5 President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Corporation and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of a non-profit corporation.

5.6 Vice-President. The Vice-President shall have the power and authority to perform all of the functions and duties of the President in the absence of the President. The Vice-President shall also perform any duties he is directed to perform by the President.

5.7 Secretary. The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Members of the Corporation; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as provided in the Declaration and the Bylaws. The Secretary shall compile and keep up to date at the principal office of the Corporation a complete list of Members and their last known addresses as shown on the records of the Corporation.

5.8 Treasurer. The Treasurer shall have responsibility for Corporation funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may from time to time be designated by the Board. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days after the first day of each month.

5.9 Compensation. The officers shall receive no compensation for their services as officers.

ARTICLE VI

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

6.1 Proof of Ownership. Each current Owner of a Lot, and any person who in the future becomes the Owner of a Lot, shall furnish to the Secretary a true and correct copy of the recorded instrument vesting legal title to the Lot in that Owner, which copy shall remain in the files of the

Corporation. A Member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of Members unless this requirement and the requirements contained in Section 7.2 below are first met.

6.2 Registration of Mailing Address. Each Member whether one or more persons, shall have one and the same registered mailing address to be used by the Corporation for mailing of statements, notices, demands and all other communications, and such registered address shall be the only mailing address of such Member to be used by the Corporation. Such registered address of a Member shall be deemed to be the mailing address of the Lot owned by said Member unless a different address is furnished to the Secretary of the Corporation by such Member in written form signed by all of the persons constituting the Member.

6.3 Designation of Voting Representative-Proxy. If legal title to a Lot is held by more than one individual or entity, the vote for such Lot shall be as the multiple owners determine among themselves, but only one vote may be cast and it may not be split. In the event of any dispute among such persons at a meeting of the Members, and such dispute is not resolved in five minutes, the President shall exclude that vote. Any person appearing at a meeting of Members and purporting to be the representative of a Member shall be presumed to have authority to act on behalf of such Member, unless the Member shall have previously executed and delivered to the Secretary a proxy which is still valid, which appoints and authorizes another person to attend the meeting of Members and there to cast whatever votes the Member might cast if personally present. A proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that no proxy shall be valid after eleven (11) months from the date of execution unless specifically so provided therein.

ARTICLE VII

ASSESSMENTS AND LIENS

7.1 Definitions. The Declaration refers to both annual assessments and special assessments for capital improvements and uses the term assessments in most cases to include both or either type of assessment. In the Bylaws the term "Annual Assessment" shall be synonymous with the annual assessment(s) referred to in the Declaration. The term "Special Assessment" shall refer to special assessment(s) for capital improvements

and/or emergencies as that term is used in the Declaration. The term "Assessments" as used herein shall include both Annual Assessments and Special Assessments.

7.2 Annual Budget and Annual Assessment The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Corporation. Such budget shall take into account the estimated expenses for the year, including but not limited to salaries, wages, payroll taxes, legal and accounting fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, and insurance. Based on the estimated annual budget for each fiscal year, the Board shall determine whether there is a need to increase the Annual Assessment. Each year the Board may increase the Annual Assessment, as necessary, provided no annual increase exceeds 10% of the maximum Annual Assessment for the prior year. The Board shall set the amount of the Annual Assessment at least thirty (30) days in advance of the Annual Assessment period and written notice thereof shall be sent to each Owner. Until such time as a new maximum Annual Assessment is duly adopted by the Board of Directors or the Members, as appropriate, for the next fiscal year, the Annual Assessment for the next fiscal year shall be deemed the same as the Annual Assessment for the previous fiscal year; and the Members shall continue paying monthly installments of such Annual Assessment in the same amount as the previous fiscal year's monthly installments.

7.3 Increase of Maximum Annual Assessment. If an increase in the Annual Assessment which is in excess of 10% of the maximum Annual Assessment for the prior year is recommended by the Board, then such proposed increase shall be submitted to a vote of the Members. Any proposed increase in the Annual Assessment which exceeds 10% of the maximum Annual Assessment for the prior year shall be effective only upon the approval by the vote or written consent of at least 51% of the Members.

7.4 Payment of Annual Assessments. Unless otherwise specified by the Board in the notice of the Annual Assessment, the Annual Assessment attributable to each Lot shall be due and payable to the Corporation in twelve equal monthly installments in advance on the first day of each month occurring during that fiscal year; provided, however, in the event that notices of the new Annual Assessment for the new fiscal year of the Corporation are not timely sent to the Owners, then the Annual Assessment that is finally adopted for each Lot shall be reduced by the sums already paid by the Member for that fiscal year and the remainder, divided by the number of months remaining in the fiscal year to determine the amounts payable

to the Corporation in monthly installments in advance on the first day of each month remaining during the fiscal year with respect to which such Annual Assessment is adopted.

7.5 Special Assessments. Special Assessments for the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties, including fixtures and personal property may be approved by a majority vote of the Board. If the Board does not approve a proposed Special Assessment, upon the request of any one Director, such proposed Special Assessment shall be submitted to a vote of the Members. Special Assessments for emergency action (i.e., conditions affecting the health or safety of an Owner, occupant, tenant, guest, or invitee on the Properties) are exempt from prior Board approval. Should such an occurrence arise when there are no funds allocated in the Annual Assessment, the Corporation has the right to cause such emergency repairs to be made and a Special Assessment thereafter imposed for the payment of same. All Special Assessments shall be divided among the Lots in accordance with Section 5 of Article V of the Declaration. Special Assessments shall be payable as determined by the Board and the Members shall be notified in writing of the payment schedule. Special Assessments which exceed an amount equal to three (3) times the monthly installment for the Annual Assessment shall be payable at least sixty (60) days after the Members are notified of the payments.

7.6 Late Payment. Any Special Assessment, Annual Assessment or any installment of an Annual Assessment or Special Assessment not paid within thirty (30) days after the due date shall bear interest from the due date through the date it is paid at the rate of eighteen percent (18%) per annum. Any partial payment of the total amount due and owing on an Assessment shall be deemed payment on account and shall be applied first to interest then to the Assessment, and the installment(s) thereof, in the order they became due.

7.7 Lien. It shall be the duty of every Member to pay his Assessments, as provided in the Declaration and as assessed in the manner herein provided. If any Member shall fail to pay or refuse to make any such payment of his Assessments when due, or any other amount due by such Owner to the Corporation pursuant to the terms of the Declaration, then the amount then due together with interest thereon at the rate of eighteen percent (18%) per annum plus all costs and expenses of collecting such amount, including reasonable attorney's fees, shall be a lien in favor of the Corporation against the interest of such Member in the Common Properties.

shall constitute a lien, as provided in the Declaration, against the Lot of such Member, enforceable by the Board as provided in the Declaration.

7.8 Records and Statement of Account. The Board shall cause to be kept the records of the income and expenses of the Corporation, including without limitation detailed and accurate accounts of the receipts and expenditures affecting the Common Properties. Payment vouchers may be approved in such manner as the Board may determine. All accounts, books and vouchers shall be available for examination by any Member during business hours on working days as set by the Board and announced to Members. The Board shall cause a monthly statement of the income and expenses of the Corporation to be prepared and posted or made available to the Members. All books of account shall be kept in accordance with generally accepted accounting principles. The Board shall, upon receipt of a written request and upon payment of a reasonable fee, cause to be furnished to any Member a statement of his account signed by an officer of the Corporation setting forth the amount of any unpaid Assessments or other charges due and owing from such Member. No Member shall be entitled to a statement of account for another Member, and the Board and any managing agent of the Board shall use reasonable care to keep the accounts of each Member confidential.

ARTICLE VIII

CONTRACTS WITH RELATED PARTIES

No contract or other transaction between the Corporation and one or more of its directors or between the Corporation and any corporation, firm or association in which one or more of the directors of this Corporation are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board which authorizes or approves the contract or transaction if because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board and noted in the minutes and the Board authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or

(b) the contract or transaction is just and reasonable as to the Corporation at the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves or ratifies a contract or transaction.

ARTICLE IX

AMENDMENTS TO BYLAWS

These Bylaws may be amended in writing upon the affirmative vote of a majority of the votes entitled to be cast by the Members present in person or by proxy at a meeting at which a quorum is present. However, in those instances where the Articles of Incorporation and/or the Declaration deal with the same matter, and the Articles of Incorporation or the Declaration require the consent or agreement of a greater percentage of the votes for a particular action or amendment, then such action or amendment may be taken only upon the affirmative vote of such required percentage of the votes of the Members. An amendment of the Bylaws shall be reflected in the minutes of the Corporation and evidenced by filing a copy of the amendment with the Bylaws in the corporate records.

ARTICLE X

NON-PROFIT CORPORATION

This Corporation is not organized for profit. No Member, director, officer or person from whom the Corporation may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Corporation be distributed to, or inure to the benefit of any Member, director or officer; provided, however: (1) that reasonable compensation may be paid to any Member, director or officer while acting as an agent or employee of the Corporation for services rendered in effecting one or more of the purposes of the Corporation; and (2) that any Member, director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation.

ARTICLE XI

CONFLICTING OR INVALID PROVISIONS

11.1 Conflicting Provisions. In the event of any conflict between the terms and provisions of these Bylaws and the Articles of Incorporation or the Act, the provisions of the Articles of Incorporation shall control over these Bylaws and the provisions of the Act shall control over these Bylaws. These Bylaws shall not be amended or altered in any manner inconsistent with the Declaration or the Act.

11.2 Invalid Provisions. The invalidity of any provision or provisions of these Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws, and in such event, all of the other provisions of these Bylaws shall continue in full force and effect as if such invalid provision had never been included herein.

ARTICLE XII

NOTICES

12.1 Notice to Members. Notice to Members shall be in writing and shall be delivered in person or by mail or by hand addressed to the Member at his registered mailing address. Notices addressed as above shall be deemed delivered when mailed by United States Mail with postage prepaid, or when delivered in person. If mailed, the Corporation or its Board or agents, shall obtain a certificate of mailing to evidence proof of the notice to Members.

12.2 Waiver by Members. Whenever by statute or by the Articles of Incorporation of the Corporation or these Bylaws or otherwise, notice is required to be given to any Member, a waiver thereof in writing after the time stated for such notice, shall be equivalent to the giving of such notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

CERTIFICATE

I, _____, do hereby certify that I am the duly elected and acting Secretary of the Corporation and that the above and foregoing Bylaws were adopted as the Bylaws

of the Corporation by the unanimous written consent of the Board
of Directors of the Corporation dated _____
1989.

Secretary

/s/ma/10989001/1stAmdByLaws3
/MAK/mah

FIRST AMENDMENT
TO
BYLAWS OF THE DOMINION COTTAGE ESTATES
OWNERS' ASSOCIATION, INC.

Effective August 16, 1994

WHEREAS, on or about March 21, 1989, The Dominion Cottage Estates Owners' Association, Inc. was formed (the "Association") and Bylaws were adopted for the Association; and

WHEREAS, at the First Annual Meeting of the Members of The Dominion Cottage Estates Owners' Association, Inc., held on August 16, 1994, the Members of the Association voted to amend the Bylaws to increase the number of Directors.

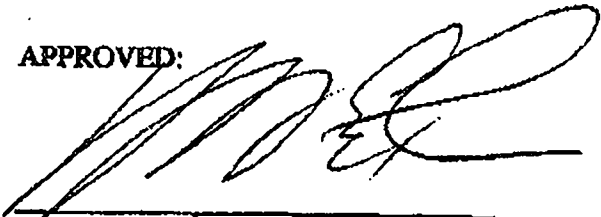
NOW THEREFORE, the following amendment to the Bylaws was approved by the Members:

1. Article IV, Section 4.1 is hereby amended to provide as follows:


The number of Director's for the Board of Directors of the Association shall be increased from three (3) to five (5) natural persons. The Directors elected shall be at the first meeting are to be on staggered terms, one (1) Director elected for a one (1) year term, two (2) Directors elected for a (2) two year term, and two (2) Directors elected for a (3) three year term. At each annual meeting thereafter, the Member shall elect a Director(s) for a three (3) year term to replace the Director(s) whose term is expiring.

2. Except as amended herein, the Bylaws as originally adopted shall continue in full force and effect.

APPROVED:



Richard Thum, President


Billie-Kite Howlett, Secretary

ATTACHMENT 3

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC.

SOLAR DEVICE POLICY

ENERGY EFFICIENT ROOFING POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "Declaration").

Note: Texas statutes presently render null and void any restriction in the Declaration which prohibits the installation of solar devices or energy efficient roofing on a residential lot. The Board and/or the architectural approval authority under the Declaration has adopted this policy in lieu of any express prohibition against solar devices or energy efficient roofing, or any provision regulating such matters which conflict with Texas law.

A. DEFINITIONS AND GENERAL PROVISIONS

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

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

3. Architectural Review Approval Required. Approval by the architectural review authority under the Declaration (the "ACC") is required prior to installing a Solar Energy Device or Energy Efficient Roofing. The ACC is not responsible for: (i) errors in or omissions in the any application submitted to the ACC for approval; (ii) supervising the installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. SOLAR ENERGY DEVICE PROCEDURES AND REQUIREMENTS

1. Approval Application. To obtain ACC approval of a Solar Energy Device, the Owner shall provide the ACC with the following information: (i) the proposed installation location of the Solar Energy Device; and (ii) a description of the Solar Energy Device, including the dimensions, manufacturer, and photograph or other accurate depiction (the "Solar Application"). A Solar Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Solar Application.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the Declaration. The ACC will approve a Solar Energy Device if the Solar Application complies with Section B.3 below **UNLESS** the ACC makes a written determination that placement of the Solar Energy Device, despite compliance with Section B.3, will create a condition that substantially interferes with the use and enjoyment of the property within the community by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The ACC's right to make a written determination in accordance with the foregoing sentence is negated if all Owners of property immediately adjacent to the Owner/applicant provide written approval of the proposed placement. Notwithstanding the foregoing provision, a Solar Application submitted to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association will not be approved despite compliance with Section B.3. Any proposal to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering any such request.

Each Owner is advised that if the Solar Application is approved by the ACC, installation of the Solar Energy Device must: (i) strictly comply with the Solar Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Solar Energy Device to be installed in accordance with the approved Solar Application, the ACC may require the Owner to: (i) modify the Solar Application to accurately reflect the Solar Energy Device installed on the property; or (ii) remove the Solar Energy Device and reinstall the device in accordance with the approved Solar Application. Failure to install a Solar Energy Device in accordance with the approved Solar Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Solar Application or remove and relocate a Solar Energy Device in accordance with the approved Solar Application shall be at the Owner's sole cost and expense.

3. Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, each Solar Application and each Solar Energy Device to be installed in accordance therewith must comply with the following:

(i) The Solar Energy Device must be located on the roof of the residence located on the Owner's lot, entirely within a fenced area of the Owner's lot, or entirely within a fenced patio located on the Owner's lot. If the Solar Energy Device will be located on the roof of the residence, the ACC may designate the location for placement unless the location proposed by the Owner increases the estimated annual energy production of the Solar Energy Device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent above the energy production of the Solar Energy Device if installed in the location designated by the ACC. If the Owner desires to contest the alternate location proposed by the ACC, the Owner should submit information to the ACC which demonstrates that the Owner's proposed location meets the foregoing criteria. If the Solar Energy Device will be located in the fenced area of the Owner's lot or patio, no portion of the Solar Energy Device may extend above the fence line.

(ii) If the Solar Energy Device is mounted on the roof of the principal residence located on the Owner's lot, then: (A) the Solar Energy Device may not extend higher than or beyond the roofline; (B) the Solar Energy Device must conform to the slope of the roof and the top edge of the Solar Device must

be parallel to the roofline; (C) the frame, support brackets, or visible piping or wiring associated with the Solar Energy Device must be silver, bronze or black.

C. ENERGY EFFICIENT ROOFING

The ACC will not prohibit an Owner from installing Energy Efficient Roofing provided that the Energy Efficient Roofing shingles: (i) resemble the shingles used or otherwise authorized for use within the community; (ii) are more durable than, and are of equal or superior quality to, the shingles used or otherwise authorized for use within the community; and (iii) match the aesthetics of adjacent property.

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

ATTACHMENT 4

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. RAINWATER HARVESTING SYSTEM POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "Declaration").

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

A. ARCHITECTURAL REVIEW APPROVAL REQUIRED.

Approval by architectural review authority under the Declaration or the Board of Directors (the "ACC") is required prior to installing rain barrels or rainwater harvesting system on a residential lot (a "Rainwater Harvesting System"). Neither the ACC is responsible for: (i) errors in or omissions in the any application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. RAINWATER HARVESTING SYSTEM PROCEDURES AND REQUIREMENTS

1. Approval Application. To obtain ACC approval of a Rainwater Harvesting System, the Owner shall provide the ACC with the following information: (i) the proposed installation location of the Rainwater Harvesting System; and (ii) a description of the Rainwater Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction (the "Rain System Application"). A Rain System Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Rain System Application.

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

Each Owner is advised that if the Rain System Application is approved by the ACC, installation of the Rainwater Harvesting System must: (i) strictly comply with the Rain System Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the

Owner fails to cause the Rain System Application to be installed in accordance with the approved Rain System Application, the ACC may require the Owner to: (i) modify the Rain System Application to accurately reflect the Rain System Device installed on the property; or (ii) remove the Rain System Device and reinstall the device in accordance with the approved Rain System Application. Failure to install a Rain System Device in accordance with the approved Rain System Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Rain System Application or remove and relocate a Rain System Device in accordance with the approved Rain System shall be at the Owner's sole cost and expense.

3. Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, each Rain System Application and each Rain System Device to be installed in accordance therewith must comply with the following:

(i) The Rain System Device must be consistent with the color scheme of the residence constructed on the Owner's lot, as reasonably determined by the ACC.

(ii) The Rain System Device does not include any language or other content that is not typically displayed on such a device.

(iii) The Rain System Device is in no event located between the front of the residence constructed on the Owner's lot and any adjoining or adjacent street.

(iv) There is sufficient area on the Owner's lot to install the Rain System Device, as reasonably determined by the ACC.

(v) If the Rain System Device will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another Owner's property, the ACC may regulate the size, type, shielding of, and materials used in the construction of the Rain System Device. See Section B. 4 for additional guidance.

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

ATTACHMENT 5

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. **FLAG DISPLAY AND FLAGPOLE INSTALLATION POLICY**

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "Declaration").

Note: Texas statutes presently render null and void any restriction in the Declaration which restricts or prohibits the display of certain flags or the installation of certain flagpoles on a residential lot in violation of the controlling provisions of Section 202.011 of the Texas Property Code or any federal or other applicable state law. The Board and/or the architectural approval authority under the Declaration has adopted this policy in lieu of any express prohibition against certain flags and flagpoles, or any provision regulating such matters which conflict with Texas law.

A. ARCHITECTURAL REVIEW APPROVAL.

1. Approval Not Required. In accordance with the general guidelines set forth in this policy, an Owner is permitted to display the flag of the United States of America, the flag of the State of Texas, an official or replica flag of any branch of the United States Military, or one (1) flag with the insignia of a college or university ("**Permitted Flag**") and permitted to install a flagpole no more than five feet (5') in length affixed to the front of a residence near the principal entry affixed to the rear of a residence ("**Permitted Flagpole**"). Reasonable holiday flags and decorations do not need prior approval and are allowed up to 30 days prior to a holiday or religious observance and 14 days thereafter. Only two (2) permitted Flagpoles are allowed per residence. A Permitted Flag or Permitted Flagpole need not be approved in advance by the architectural review authority under the Declaration (the "ACC").

2. Approval Required. Approval by the ACC is required prior to installing vertical freestanding flagpoles installed in the front or back yard area of any residential lot ("**Freestanding Flagpole**"). The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. PROCEDURES AND REQUIREMENTS

1. Approval Application. To obtain ACC approval of any Freestanding Flagpole, the Owner shall provide the ACC with the following information: (a) the location of the flagpole to be installed on the property; (b) the type of flagpole to be installed; (c) the dimensions of the flagpole; and (d) the proposed materials of the flagpole (the "**Flagpole Application**"). A Flagpole Application may only be submitted by an Owner UNLESS the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Flagpole Application.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the Declaration. A Flagpole Application submitted to install a Freestanding Flagpole on property owned by the Association or property owned in common by

members of the Association will not be approved. Any proposal to install a Freestanding Flagpole on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering any such request.

Each Owner is advised that if the Flagpole Application is approved by the ACC, installation of the Freestanding Flagpole must: (i) strictly comply with the Flagpole Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Freestanding Flagpole to be installed in accordance with the approved Flagpole Application, the ACC may require the Owner to: (i) modify the Flagpole Application to accurately reflect the Freestanding Flagpole installed on the property; or (ii) remove the Freestanding Flagpole and reinstall the flagpole in accordance with the approved Flagpole Application. Failure to install a Freestanding Flagpole in accordance with the approved Flagpole Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Flagpole Application or remove and relocate a Freestanding Flagpole in accordance with the approved Flagpole Application shall be at the Owner's sole cost and expense.

3. Installation, Display and Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, Permitted Flags, Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application, must comply with the following:

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

(i) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

ATTACHMENT 6

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. **DISPLAY OF CERTAIN RELIGIOUS ITEMS POLICY**

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

2. **General Guidelines.** Religious items may be displayed or affixed to an Owner's or resident's entry door or door frame of the Owner's or resident's dwelling; provided, however, that individually or in combination with each other, the total size of the display is no greater than twenty-five square inches (5"x5" = 25 square inches).

3. **Prohibitions.** No religious item may be displayed or affixed to an Owner's or resident's dwelling that: (a) threatens the public health or safety; (b) violates applicable law; or (c) contains language, graphics or any display that is patently offensive. No religious item may be displayed or affixed in any location other than the entry door or door frame and in no event may extend past the outer edge of the door frame of the Owner's or resident's dwelling. Nothing in this Policy may be construed in any manner to authorize an Owner or resident to use a material or color for an entry door or door frame of the Owner's or resident's dwelling or make an alteration to the entry door or door frame that is not otherwise permitted pursuant to the Association's governing documents.

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

6. **Covenants in Conflict with Statutes.** To the extent that any provision of the Association's recorded covenants restrict or prohibit an Owner or resident from displaying or affixing a religious item in violation of the controlling provisions of Section 202.018 of the Texas Property Code, the Association shall have no authority to enforce such provisions and the provisions of this Policy shall hereafter control.

ATTACHMENT 7

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. FINE AND ENFORCEMENT POLICY

1. Background. Dominion Cottage Estates is subject to that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto ("**Declaration**"). In accordance with the Declaration, The Dominion Cottage Estates Owners' Association, Inc., a Texas non-profit corporation (the "**Association**") was created to administer the terms and provisions of the Declaration. Unless the Declaration or applicable law expressly provides otherwise, the Association acts through a majority of its board of directors (the "**Board**"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, Bylaws and any rules and regulations of the Association (collectively, the "**Restrictions**"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Restrictions and the obligations of the Owners to compensate the Association for costs incurred by the Association for enforcing violations of the Restrictions.

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

Words and phrases used in this policy have the same meanings given to them by the Restrictions.

2. Policy. The Association uses fines to discourage violations of the Restrictions, and to encourage compliance when a violation occurs – not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Restrictions. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.
3. Owner's Liability. An Owner is liable for fines levied by the Association for violations of the Restrictions by the Owner and the relatives, guests, employees, and agents of the Owner and residents. Regardless of who commits the violation, the Association may direct all communications regarding the violation to the Owner.
4. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Restrictions. If the Association allows fines to accumulate, the Association may establish a maximum amount for a particular fine, at which point the total fine will be capped.

5. Violation Notice. Before levying a fine, the Association will give the Owner a written violation notice and an opportunity to be heard. This requirement may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the timeframe in which the violation is required to be cured; (6) the amount of the fine; (7) a statement that not later than the thirtieth (30th) day after the date of the violation notice, the Owner may request a hearing before the Board to contest the violation; and (8) the date the fine attaches or begins accruing, subject to the following:
- a. New Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the notice will state a specific timeframe by which the violation must be cured to avoid the fine. The notice must state that any future violation of the same rule may result in the levy of a fine.
 - b. Repeat Violation. In the case of a repeat of the same or similar violation of which the Owner was previously notified and the violation was cured within the preceding six (6) month time period, the notice will state that, because the Owner was given notice and a reasonable opportunity to cure the same or similar violation but the violation has occurred again, the fine attaches from the date of the expiration of the cure period in the preceding violation notice.
 - c. Continuous Violation. If an Owner has been notified of either a new violation or a repeat violation in the manner and for the fine amounts as set forth in the Schedule of Fines below and the Owner has never cured the violation in response to either the notices or the fines, in its sole discretion, the Board may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board. The fine shall begin accruing upon the expiration of the cure period in the final violation notice informing the Owner of the Board's decision and amount of fine and the Owner's failure and/or refusal to cure as requested.
6. Violation Hearing. An Owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, the Owner must submit a written request to the Association's manager (or the Board if there is no manager) within thirty (30) days after the date of the violation notice. Within fifteen (15) days after the Owner's request for a hearing, the Association will give the Owner at least fifteen (15) days advance notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Board. The

minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied. Unless otherwise agreed by the Board, each hearing shall be conducted in accordance with the agenda attached hereto as Exhibit A.

7. Levy of Fine. Within thirty (30) days after levying the fine, the Board must give the Owner notice of the levied fine. If the fine is levied at the hearing at which the Owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the Owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the Owner periodic written notices of an accruing fine or the application of an Owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.
8. Collection of Fines. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.
9. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until the Association records an amendment to this policy in the county's Real Property Records. The notice may be published and distributed in an Association newsletter or other community-wide publication.

Schedule of Fines

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

FINES:

New Violation:

Fine Amount:

1 st Notice	Warning
2 nd Notice	\$25.00
3 rd Notice	\$50.00
4 th Notice	\$100.00
Each Subsequent Notice:	\$125.00

Repeat Violation:

1 st Notice	\$50.00
2 nd Notice	\$75.00
3 rd Notice	\$100.00
4 th Notice	\$125.00
Each Subsequent Notice:	\$150.00

Continuous Violation:

Final Notice	Amount TBD
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EXHIBIT A

HEARING BEFORE THE BOARD

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

I. Introduction:

Hearing Officer. The Board has convened for the purpose of hearing an appeal by _____ from the penalties imposed by the Association for violation of the Restrictions.

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

II. Presentation of Facts:

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

[Presentations]

III. Discussion:

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

IV. Resolution:

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

If no settlement was agreed upon, the Hearing Officer may: (i) request that the Board enter into executive session to discuss the matter; (ii) request that the Board take the matter under advisement and adjourn the hearing; or (iii) adjourn the hearing.

ATTACHMENT 8

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. ASSESSMENT COLLECTION POLICY

Dominion Cottage Estates is a community (the "**Community**") created by and subject to the Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto ("**Declaration**"). The operation of the Community is vested in The Dominion Cottage Estates Owners' Association, Inc. (the "**Association**"), acting through its board of directors (the "**Board**"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, the Bylaws and rules of the Association (collectively, the "**Restrictions**"), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Declaration.

The Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Declaration. Words and phrases used in this policy have the same meanings given to them by the Declaration.

Section 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. Due Date. An Owner will timely and fully pay Regular Assessments and Special Assessments. Regular Assessments are assessed annually and are due and payable on the first calendar day of the month at the beginning of the fiscal year, or in such other manner as the Board may designate in its sole and absolute discretion.
- 1-B. Delinquent. Any Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full — including collection costs, interest and late fees.
- 1-C. Late Fees & Interest. If the Association does not receive full payment of a Regular Assessment by 5:00 p.m. after the due date established by the Board, the Association may levy a late fee of \$20 per month and/or interest, pursuant to the Declaration, if stated therein, or at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date therefore (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.
- 1-D. Liability for Collection Costs. The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.
- 1-E. Insufficient Funds. The Association may levy a charge of \$25 for any check returned to the Association marked "not sufficient funds" or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board.

Section 2. INSTALLMENTS & ACCELERATION

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

Section 3. PAYMENTS

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

- | | |
|--|---------------------------|
| (1) Delinquent assessments | (4) Other attorney's fees |
| (2) Current assessments | (5) Fines |
| (3) Attorney fees and costs associated with delinquent assessments | (6) Any other amount |

3-B. Payment Plans. The Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months and a maximum term of eighteen (18) months from the date the payment plan is requested for which the Owner may be charged reasonable administrative costs and interest. The Association will determine the actual term of each payment plan offered to an Owner. An Owner is not entitled to a payment plan if the Owner has defaulted on a previous payment plan in the last two (2) years. If an Owner fails to comply with the terms and provisions of a payment plan between the Owner and the Association, the Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

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

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

delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

- 3-E. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner. The Association may require the Owner to prepay the cost of preparing and recording the release.
- 3-F. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

Section 4. LIABILITY FOR COLLECTION COSTS

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

Section 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.
- 5-B. Delinquency Notices. If the Association has not received full payment of an Assessment by the due date, the Association may send written notice of nonpayment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.
- 5-C. Verification of Owner Information. The Association may obtain a title report to determine the names of the Owners and the identity of other lien-holders, including the mortgage company.
- 5-D. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.
- 5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Association may report the defaulting Owner to one or more credit reporting services.
- 5-G. Collection by Attorney. If the Owner's account remains delinquent for a period of ninety (90) days, the manager of the Association or the Board of the Association shall refer the delinquent account to the Association's attorney for collection. In the event an account is referred to the Association's attorney, the Owner will be liable to the Association for its legal fees and expenses. Upon referral of a delinquent account to the Association's attorney, the Association's attorney

will provide the following notices and take the following actions unless otherwise directed by the manager of the Association:

- (1) Initial Notice: Preparation of the Initial Notice of Demand for Payment Letter. If the account is not paid in full within 30 days (unless such notice has previously been provided by the Association, then
- (2) First Notice: Preparation of the Notice of Demand for Payment Letter. If the account is not paid in full within 30 days, then
- (3) Lien Notice: Preparation of the Lien Notice of Demand for Payment Letter and record a Notice of Unpaid Assessment Lien. If the account is not paid in full within 30 days, then
- (4) Final Notice: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose. If the account is not paid in full within 30 days, then
- (5) Notice of Intent to Foreclose Notice to Lender: Preparation of Notice of Intent to Foreclose Letter to Owner's Lender. If account not paid in full within 30 days, then
- (6) Foreclosure of Lien: Only upon specific approval by a majority of the Board.

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

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

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

Section 6. GENERAL PROVISIONS

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

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

6-C. Limitations of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Restrictions or any other document or agreement executed or

made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Special Assessments and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

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

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

ATTACHMENT 9

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. RECORDS INSPECTION, COPYING AND RETENTION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "Declaration").

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

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

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

3. **Period of Inspection.** Within ten (10) business days from receipt of the written request, the Association must either: (1) provide the copies to the Owner; (2) provide available inspection dates; or (3) provide written notice that the Association cannot produce the documents within the ten (10) days along with either: (i) another date within an additional fifteen (15) days on which the records may either be inspected or by which the copies will be sent to the Owner; or (ii) after a diligent search, the requested records are missing and cannot be located.

4. **Records Retention.** The Association shall keep the following records for at least the times periods stated below:

- a. **PERMANENT:** The Articles of Incorporation or the Certificate of Formation, the Bylaws and the Declaration, any and all other governing documents, guidelines, rules, regulations and policies and all amendments thereto recorded in the property records to be effective against any Owner and/or member of the Association.
- b. **FOUR (4) YEARS:** Contracts with a term of more than one (1) year between the Association and a third party. The four (4) year retention term begins upon expiration of the contract term.
- c. **FIVE (5) YEARS:** Account records of each Owner. Account records include debit and credit entries associated with amounts due and payable by the Owner to the Association, and written or electronic records related to the Owner and produced by the Association in the ordinary course of business.
- d. **SEVEN (7) YEARS:** Minutes of all meetings of the Board and the Owners.
- e. **SEVEN (7) YEARS:** Financial books and records produced in the ordinary course of business, tax returns and audits of the Association.
- f. **GENERAL RETENTION INSTRUCTIONS:** "Permanent" means records which are not to be destroyed. Except for contracts with a term of one (1) year or more (See item 4.b. above), a retention period starts on the last day of the year in which the record is created and ends on the last day of the year of the retention period. For example, if a record is created on June 14, 2012, and the retention period is five (5) years, the retention period begins on December 31, 2012 and ends on December 31, 2017. If the retention period for a record has elapsed and the record will be destroyed, the record should be shredded or otherwise safely and completely destroyed. Electronic files should be destroyed to ensure that data cannot be reconstructed from the storage mechanism on which the record resides.

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

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

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

TEXAS ADMINISTRATIVE CODE
TITLE 1, PART 3, CHAPTER 70
RULE §70.3 - CHARGES FOR PROVIDING COPIES OF PUBLIC INFORMATION

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

(b) Copy charge.

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

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

(A) Diskette--\$1.00;

(B) Magnetic tape--actual cost

(C) Data cartridge--actual cost;

(D) Tape cartridge--actual cost;

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

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

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

(H) JAZ drive--actual cost;

(I) Other electronic media--actual cost;

(J) VHS video cassette--\$2.50;

(K) Audio cassette--\$1.00;

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

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

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

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

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

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

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

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

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

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

(B) A remote storage facility.

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

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

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

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

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

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

(e) Overhead charge.

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

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

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

(f) Microfiche and microfilm charge.

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

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

(g) Remote document retrieval charge.

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

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

(h) Computer resource charge.

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

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

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

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU

clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $\$10 / 3 = \3.33 ; or $\$10 / 60 \times 20 = \3.33 .

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

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

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

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

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

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

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

ATTACHMENT 10

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. STATUTORY NOTICE OF POSTING AND RECORDATION OF ASSOCIATION GOVERNING DOCUMENTS

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "Declaration").

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

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

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

ATTACHMENT 11

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. STATUTORY NOTICE OF ANNUAL MEETING, ELECTIONS AND VOTING

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "Declaration").

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

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

2. Notice of Election or Association Vote. Not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of an election or vote, the Association must give written notice of the election or vote to: (a) each Owner in the Association for purposes of an Association-wide election or vote; or (b) each Owner in the Association entitled to vote to elect Board members.

3. Election of Board members. Any Board member whose term has expired must be elected by Owners in the Association. A Board member may be appointed by the Board only to fill a vacancy caused by a resignation, death, or disability. A Board member appointed to fill a vacant position shall serve the unexpired term of the predecessor board member.

4. Eligibility for Board membership. The Association may not restrict an Owner's right to run for a position on the Board. If the Board is presented with written and documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board member has been convicted of a felony or crime involving moral turpitude, the Board member is then immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

5. Right to Vote. Any provision in the Association's governing documents that would disqualify an Owner from voting in an Association election of Board members or on any matter concerning the rights or responsibilities of the Owner is void.

6. Voting; Quorum. The voting rights of an Owner may be cast or given: (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot; (c) by electronic ballot; or (d) by any method of representative or delegated voting provided by the Association's governing documents.

7. **Written Ballots.** Any vote cast in an election or vote by a member of the Association must be in writing and signed by the member. Electronic votes constitute written and signed ballots. In an Association-wide election, written and signed ballots are not required for uncontested races.

8. **Absentee or Electronic Ballots.** An absentee or electronic ballot: (a) may be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (b) may not be counted, even if properly delivered, if the Owner attends any meeting to vote in person, so that any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (c) may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot.

a. **Meaning of Electronic Ballot.** Notwithstanding any contrary provision in the governing document of the Association, "electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of Owner submitting the ballot can be confirmed; and (c) for which the Owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

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

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

10. **Recount of Votes.** Any Owner may, not later than the fifteenth (15th) day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either: (a) by certified mail, return receipt requested, or by delivery by the U.S. Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or (b) in person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The Owner requesting the recount will be required to pay, in advance, expenses associated with the recount as estimated by the Association. Any recount must be performed on or before the thirtieth (30th) day after the date of receipt of a request and payment for a recount is submitted to the Association for a vote tabulator as set forth below.

- a. Vote Tabulator. At the expense of the Owner requesting the recount, the Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who: (a) is not a member of the Association or related to a member of the Association Board within the third degree by consanguinity or affinity; and (b) is either a person agreed on by the Associations and any person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.
- b. Reimbursement for Recount Expenses. If the recount changes the results of the election, the Association shall reimburse the requesting Owner for the cost of the recount to the extent such costs were previously paid by the Owner to the Association. The Association shall provide the results of the recount to each Owner who requested the recount.
- c. Board Action. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

ATTACHMENT 12

THE DOMINION COTTAGE ESTATES OWNERS' ASSOCIATION, INC. STATUTORY NOTICE OF CONDUCT OF BOARD MEETINGS

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Protective Covenants for The Dominion Cottage Estates, recorded under Volume 3656, Page 1033 of the Real Property Records, Bexar County, Texas, as amended and with any supplements and annexations thereto (the "Declaration").

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

1. **Definition of Board Meetings.** As set forth in Texas Property Code Section 209.0051, "board meeting" means: (a) a deliberation between a quorum of the Board, or between a quorum of the Board and another person, during which Association business is considered and the Board takes formal action; but does not include: (b) the gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance by a quorum of the Board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

2. **Open Board Meetings.** All regular and special Board meetings must be open to Owners. However, the Board has the right to adjourn a meeting and reconvene in closed executive session to consider actions involving: (a) personnel; (b) pending or threatened litigation; (c) contract negotiations; (d) enforcement actions; (e) confidential communications with the Association's attorney; (f) matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made by the Board in executive session must be summarized orally in general terms and placed in the minutes, without breaching the privacy of individual Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

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

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

5. **Notices.** members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (a) mailed to each property owner not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; or (b) provided at least seventy-two (72) hours before the start of the meeting by: (i) posting the notice in a conspicuous manner reasonably designed to provide notice to Association members in a place located on the Association's common area property or on any website maintained by the Association; and (ii) sending the notice by e-mail to each Owner who has registered an e-mail address with the Association. It is an Owner's duty to keep an updated e-mail address registered with the Association. The Board may establish a procedure for registration of email addresses, which procedure may be required for the purpose of receiving notice of Board meetings. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this section. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner as set forth above within two (2) hours after adjourning the meeting being continued.

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

- (a) fines;
- (b) damage assessments;
- (c) initiation of foreclosure actions;
- (d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (e) increases in assessments;
- (f) levying of special assessments;
- (g) appeals from a denial of architectural control approval; or
- (h) a suspension of a right of a particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense, on the issue.

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