

7.05 Prohibited Acts. As long as the Corporation is in existence, except with the prior approval of the Board of Directors, no member, director, officer or committee member of the Corporation shall:

- (a) Do any act in violation of these By-laws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary affairs of the Corporation.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the assets of the Corporation, directly or indirectly, for any purposes other than carrying on the affairs of the Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's affairs.

ARTICLE 8. BOOKS AND RECORDS

8.01 Required Books and Records. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to, the Certificate of Formation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of these By-laws and any prior version thereof.
- (c) Minutes of the proceedings of the members, Board of Directors and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addresses of the members, directors, officers and any committee members of the Corporation.
- (e) Financial books and records of the Corporation for the seven most recent fiscal years.

- (f) All rulings, letters and other documents relating to the Corporation's federal, state and local tax status.
- (g) The Corporation's federal, state and local information or income tax returns for each of the Corporation's seven most recent tax years.
- (h) Any other information as required by applicable law or Corporation policy.

8.02 Inspection and Copying. Any member, director or officer of the Corporation may, on written demand, examine and copy, in person or by agent, accountant or attorney, at any reasonable time, for any proper purposes, the books and records of the Corporation relevant to that purpose, at the expense of the member, director or officer. The Board of Directors may establish reasonable fees for copying the Corporation's books and records, not to exceed fifteen cents per page or actual cost, whichever is greater. The Corporation shall provide requested copies of books and records according to applicable law or Corporation policy.

8.03 Audits. Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

ARTICLE 9. FISCAL YEAR

9.01 The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE 10. INDEMNIFICATION

10.01 (a) When Indemnification is Required, Permitted and Prohibited. The Corporation shall indemnify a director, officer, committee member, employee or agent of the Corporation who was, is or may be a named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. For the purpose of this article, an agent includes one who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. However, the Corporation shall indemnify a person only if he or she conducted himself or herself in good faith and reasonably believed that the conduct was in the Corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he or she also had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue

or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a director, officer, committee member, employee or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, committee member, employee or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a) above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by these By-laws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation; or the person is alleged to have improperly received a personal benefit or committed other wilful or intentional misconduct.

(f) If the Corporation may indemnify a person under these By-laws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements and reasonable expenses (including attorneys' fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

10.02 (a) Procedures Relating to Indemnification Payments. Before the Corporation may pay any indemnification expenses (including attorneys' fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02(c) below. The Corporation may make these determinations and decisions by any one of the following procedures:

- (i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding;
- (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding;

- (iii) Determination by a special legal counsel selected by the Board of Directors by vote as provided in paragraphs 10.02(a)(i) or 10.02(a)(ii) or, if such quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors; or
- (iv) Majority vote of members, excluding directors who are named defendants or respondents in the proceeding.

(b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determined whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by paragraph 10.02(a)(iii) above governing the selection of special legal counsel. A provision contained in the Certificate of Formation, these By-laws or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 10.01 above constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a) above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under these By-laws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Corporation. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the twelve months immediately following the date of the indemnification or advance.

ARTICLE 11. NOTICES

11.01 Notice by Mail, Telegram or Electronic Mail. Any notice required or permitted by these By-laws to be given to a member, director, officer or member of a committee of the Corporation may be given by mail, telegram, electronic mail, or as otherwise provided by applicable

law or these By-laws. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with first class postage prepaid. If given by telegram, a notice shall be deemed to be delivered when accepted by the telegraph company and addressed to the person at his or her address as it appears on the records of the Corporation. A person may change his or her address by giving written notice to the secretary of the Corporation. If sent by electronic mail, a notice shall be deemed valid when it is transmitted from the outbox of the sender and no notice is received by the sender that the electronic mail was undeliverable.

11.02 Signed Waiver of Notice. Whenever any notice is required to be given under the Code, the Certificate of Formation or these By-laws, a waiver in writing signed by a person entitled to receive such notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

11.03 Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 12. SPECIAL PROCEDURES CONCERNING MEETINGS

12.01 Actions Taken Outside of a Meeting. The Board of Directors may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to the members of the Corporation under these By-laws, if each director is given a reasonable opportunity to express the director's opinion to all other directors and to vote. Any action taken without notice to members of the Corporation under these By-laws 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 meeting of the Board of Directors. The Board of Directors may not, unless done in an open meeting for which prior notice was given to members of the Corporation under these By-laws, consider or vote on fines, damage assessments, initiation of foreclosure actions, initiation of enforcement actions (excluding temporary restraining orders or violation involving health or safety), increases in assessments, levying of special assessments, appeals from a denial of architectural control approval, a suspension of a right of a particular member before the member has an opportunity to attend a meeting of the Board of Directors to present the member's position and any defense on the issue, or any other matter required by applicable law to be considered or voted on in an open meeting for which prior notice was given to members of the Corporation.

12.02 Voting by Proxy. A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the

proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer;
- (b) The proxy authority expires under the terms of the proxy; or
- (c) The proxy authority expires under the terms of these By-Laws.

12.03 Alternative Meeting Methods. A meeting of the Board of Directors may be held by electronic or telephonic means provided that each director may hear and be heard by every other director, all members in attendance may hear all board members and members may listen using any electronic or telephonic communication method used or expected to be used by a director. Members are not entitled to attend or listen to any portion of the meeting conducted in executive session. The notice of a meeting held by electronic or telephonic means must contain instructions for members to access the communication method used or expected to be used by a director.

ARTICLE 13. AMENDMENTS TO BY-LAWS

13.01 These By-laws may be altered, amended or repealed, and new by-laws may be adopted, either by the membership or the Board of Directors. The notice of any meeting at which these By-laws are altered, amended or repealed, or at which new by-laws are adopted, shall include the text of the proposed by-law provisions as well as the text of any existing provisions proposed to be altered, amended or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 14. RESOLUTION OF DISPUTES

14.01 IN ANY DISPUTE, CONTROVERSY OR CLAIM BY, AMONG OR BETWEEN MEMBERS OR DIRECTORS INVOLVING, CONCERNING, ARISING OUT OF OR RELATING TO THE CORPORATION OR THESE BY-LAWS, BUT EXCEPTING CLAIMS BROUGHT TO ENFORCE THESE BY-LAWS, THE DECLARATION OR ANY PROVISION OF EITHER OR BOTH, ALL PARTIES INVOLVED SHALL COOPERATE IN GOOD FAITH TO RESOLVE THE DISPUTE. IF THE PARTIES CANNOT RESOLVE THE DISPUTE BETWEEN THEMSELVES, THEY SHALL COOPERATE TO SELECT ONE OR MORE MEDIATORS TO HELP RESOLVE THE DISPUTE. IF NO TIMELY RESOLUTION OF THE DISPUTE OCCURS THROUGH MEDIATION (INCLUDING, BUT NOT LIMITED TO A MEMBER'S REFUSAL TO APPEAR OR PARTICIPATE AT MEDIATION), SUCH DISPUTE SHALL BE RESOLVED BY BINDING ARBITRATION AS DESCRIBED IN TEXAS CIVIL PRACTICE AND REMEDIES CODE CH. 173 IN ACCORDANCE WITH THE RULES THEN IN EFFECT OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD ENTERED MAY

BE ENFORCED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATOR SHALL BE APPOINTED BY THE AMERICAN ARBITRATION ASSOCIATION'S OFFICE CLOSEST TO HOUSTON, TEXAS IF AN ARBITRATOR CANNOT OTHERWISE BE AGREED UPON. THE FEES FOR SUCH ARBITRATION SHALL BE DIVIDED EQUALLY AMONG THE REAL PARTIES IN INTEREST TO THE DISPUTE.

ARTICLE 15. MISCELLANEOUS PROVISIONS

15.01 Legal Authorities Governing Construction of By-Laws. These By-laws shall be construed in accordance with the laws of the State of Texas and the Certificate of Formation of the Corporation, and in a manner not inconsistent with the Certificate of Formation of the Corporation. All references in these By-laws to statutes, regulations or other sources of legal authority shall refer to the authorities cited as they may hereafter be amended from time to time.

15.02 Legal Construction. If any by-law provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and these By-laws shall be construed as if the invalid, illegal or unenforceable provision had not been included in these By-laws.

15.03 Headings. The headings used in these By-laws are used for convenience and shall not be considered in construing the terms of these By-laws.

15.04 Gender. Whenever the context requires, all words in these By-laws in one gender shall be deemed to include every other gender, all singular words shall include the plural, and all plural words shall include the singular.

15.05 Seal. The Board of Directors may provide for a corporate seal. Such a seal shall contain the words "Peacock Isles Homeowners Association".

15.06 Power of Attorney. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

15.07 Parties Bound. These By-laws shall be binding upon and inure to the benefit of the members, directors, officers, committee members, employees and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise provided in these By-laws.

CERTIFICATE OF OFFICER

I certify that I am the duly elected and acting President of Peacock Isles Homeowners Association, and that the foregoing By-laws constitute the by-laws of the Corporation. These By-laws were duly adopted by the Board of Directors by written consent dated effective September 21, 2022.



Jon Skeele, President

ALTERNATIVE PAYMENT SCHEDULE POLICY

Peacock Isles Homeowners Association ("Association") has adopted this Alternative Payment Schedule Policy ("Policy") to provide guidance regarding homeowner requests for payment plans of amounts owing to the Association. The Policy also serves to comply with legislative requirements. This Policy is effective upon recording in the Real Property Records of Galveston County, Texas.

The Association will consider homeowner requests for a payment plan for any delinquent regular or special assessments or any other amount owed to the Association. The minimum term for a payment plan offered by the Association is three (3) months. The Association will consider, but is not required to approve a payment plan that extends beyond the minimum term of three (3) months. The Association is not required to enter into a payment plan with an owner who has failed to honor the terms of a previous plan within the two (2) years prior to the most recent request. The Association is not required to enter into a payment plan with a homeowner more than once in any twelve (12) month period. The Association is not required to make a payment plan available to an owner after the period for cure described by Section 209.0064 (b) of the Texas Property Code expires. The Association shall review all proposals equitably and, in consideration of all surrounding circumstances, may or may not accept the request.

An owner will not incur penalties associated with delinquent assessments included in the payment plan during the term of an approved payment plan unless the owner fails to comply with the terms of the payment plan. For the purposes of this Policy, penalties will include initial and monthly late fees but will not include interest or reasonable costs associated with implementing a payment plan. The Association is not required to accept partial payments from an owner who has not entered into a payment plan approved by the Association.

Except as provided below, all payments, whether or not made under a payment plan, received and accepted after January 1, 2012 shall be applied to amounts owing in the following order: (1) any delinquent assessment(s); (2) any current assessment(s); (3) any attorney's fees or third party collection costs associated solely with assessments or any other charge incurred by the Association that could provide the basis for foreclosure; (4) any other attorney's fees incurred by the Association; (5) any fines assessed by the Association; and (6) any other amount owed to the Association, including late fees and/or interest. If a payment is received from an owner who is in default under a payment plan, the payment shall be applied to amounts owing to the Association in accordance with applicable policy adopted by the Association, or as hereafter otherwise determined by the Association, so long as fines assessed by the Association are not given priority over any other amount. For the purposes of this paragraph, fines do not include late fees, interest or attorney's fees assessed by the Association. Payments received prior to January 1, 2012, shall be applied to amounts owing as dictated by the governing documents, policies and general practices of the Association in effect as of that date. In no event is the Association required to accept partial payment from a homeowner outside of a payment plan. Any payment made by a homeowner for an amount that is less than the total amount then due by a homeowner may be rejected by the Association.

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this policy shall not create a right in or to any person nor is any deviation or failure to follow actionable in any way or create a defense to any obligation of a homeowner to satisfy his/her financial obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this policy as it deems appropriate.

Officer Certificate

I hereby certify that the foregoing Alternative Payment Schedule Policy was adopted by the Board of Directors of Peacock Isles Homeowners Association by written consent dated effective September 21, 2022.



Jon Skeele, President

COLLECTION REFERRAL POLICY

Peacock Isles Homeowners Association ("Association") has adopted this Collection Referral Policy ("Policy") to provide guidance regarding collection actions of the Association management company or Association attorney of amounts owing to the Association.

As a general policy, unpaid assessments, whether annual or special, shall be collected in the first instance by the Association management company. The Association management company shall issue all statements for all assessments. For assessments remaining unpaid thirty days after the due date, the management company shall issue up to two follow up notices at not less than thirty day intervals. The management company is hereby authorized to issue all such notices without further authorization or direction of the board of directors.

For all assessments remaining unpaid for at least thirty days after the second notice as set forth above, the management company shall refer such matters to the Association attorney to issue its/his/her demand for payment. The management company shall seek board authorization at a regular meeting of the board of directors before making such referral. Absent special circumstances, such referral shall be made without regard to the identity of the homeowner.

The Association attorney shall, upon referral, issue its/his/her demand to each such homeowner and shall, to the extent feasible and allowable, include therein all amounts that are to be charged to the Association for such legal services. The Association attorney may issue a follow up demand in accordance with applicable law. Upon referral, the Association attorney is authorized to issue all such demands without further authorization or direction of the board of directors.

Any delinquent accounts not collected by the attorney within a reasonable time after the second demand shall be referred back to the management company to be held pending either (a) an instance that would cause the account to be paid or (b) for the next year's assessment.

Notwithstanding the above, all accounts in arrears (a) for a period of time not more than the applicable statute of limitations or (b) in the amount of \$1,000, including all charges, shall be referred to the Association attorney for final collection. At present, the statute of limitations is four years. Thus, accounts in arrears for three years shall be referred to the attorney for final collection regardless of dollar amount owed. The management company shall seek board authorization at a regular meeting of the board of directors before making such referral. Absent special circumstances, such referral shall be made without regard to the identity of the homeowner. Upon referral, the Association attorney shall be authorized to issue further demands, file lawsuits, or take such other action to collect such accounts as may be lawful and appropriate under the circumstances

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this policy shall not create a right in or to any person nor is any deviation or failure to follow actionable in any way or create a defense to any obligation of a

homeowner to satisfy his/her financial obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this policy as it deems appropriate.

Officer Certificate

I hereby certify that the foregoing Collection Referral Policy was adopted by the Board of Directors of Peacock Isles Homeowners Association by written consent dated effective September 21, 2022.



Jon Skeele, President

DEED RESTRICTION VIOLATION DISPUTE RESOLUTION POLICY

Peacock Isles Homeowners Association (“Association”) has adopted this Deed Restriction Violation Dispute Resolution Policy (“Policy”) to provide guidance for issues surrounding disputes regarding deed restriction violations. This Policy is effective upon recording in the Real Property Records of Galveston County, Texas.

Request for Hearing

Except as provided below and only if the Lot owner is entitled to an opportunity to cure the violation, a Lot owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before the board.

A request for hearing must be sent in writing to the management company for the Association clearly stating that a hearing is being requested.

Hearing Date

The Association shall hold a hearing after a properly submitted request is received by the Association within 30 days of the date the request is received. The Association shall notify the Lot owner of the date, time and place of the hearing within no less than 10 days from the date the hearing is scheduled.

The board or owner may request a postponement of the hearing. Any request for a postponement shall be granted for not more than 10 days unless otherwise agreed to by the parties.

Hearing Before the Board

Not later than 10 days before the Association holds a hearing as provided in this policy, the Association shall provide to an owner a packet containing all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing.

If the Association fails to provide the foregoing documents, the Lot owner is automatically entitled to a 15-day postponement of the hearing.

During the hearing, a member of the board or the Association’s designated representative shall first present the Association’s position regarding the violation. A Lot owner or the Lot owner’s representative is entitled to present the Lot owner’s information and issues relevant to the appeal or dispute only.

The Board shall take the matter into consideration and provide the Lot owner with a written notice of its decision after the conclusion of the appeal.

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any

rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this policy shall not create a right in or to any person nor is any deviation or failure to follow actionable in any way or create a defense to any obligation of a homeowner to satisfy his/her financial or other obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this policy as it deems appropriate.

Officer Certificate

I hereby certify that the foregoing Deed Restriction Violation Dispute Resolution Policy was adopted by the Board of Directors of Peacock Isles Homeowners Association by written consent dated effective September 21, 2022.



Jon Skeele, President

DELINQUENCY COLLECTION POLICY

Peacock Isles Homeowners Association (“Association”) has adopted this Delinquency Collection Policy (“Policy”) to provide guidelines for issues surrounding the collection of delinquent amounts owing to the Association.

Late Fees

Each owner who has not paid the entirety of any annual or special assessment by the due date, and each owner who has not paid the entirety of any balance owing on such owner’s account by the due date (and payment is deemed made only upon receipt of good funds), shall be assessed:

(a) An initial late fee of \$25.00 per assessment effective February 1st, and

(b) On the first day of each month after assessment of the initial late fee, a monthly late fee of \$10.00 per assessment until the entirety of the assessments and all accrued late fees have been paid or as otherwise provided by Association policy.

Returned Check Fee (Bank Returned Payment Devices)

The penalty for a returned check submitted as payment to the Association is a \$30.00 fee, plus any applicable bank charges and other costs incurred in collecting the amounts to have been paid by such check.

Application of Payments

All payments received prior to January 1, 2012 and any payment received from an owner who is in default under an alternative payment schedule are to be applied against amounts owing to the Association in the following order: (1) any collection costs incurred (including but not limited to attorney’s fees, court costs, other collection costs and returned check fees); (2) any accrued interest; (3) any late fees; (4) any other charge that does not constitute an assessment or fine imposed by the Association; (5) any unpaid assessments; and (6) any fines levied against the owner by the Association. Payments received from an owner not in default under an alternative payment schedule are to be applied in accordance with applicable policy adopted by the Association.

Transfer Fee

On each transfer of title to a lot, no fee will be charged.

Re-sale Certificates


The charge for re-sale certificates and updates to re-sale certificates as provided for under ch. 207, Texas Property Code, is \$375.00 and \$75.00, respectively. Payment in full must be received at the time of the request for such certificate or update; no request for a re-sale certificate or update will be accepted without receipt of payment in full.

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this policy shall not create a right in or to any person nor

is any deviation or failure to follow actionable in any way or create a defense to any obligation of a homeowner to satisfy his/her financial obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this policy as it deems appropriate.

Officer Certificate

I hereby certify that the foregoing Delinquency Collection Policy was adopted by the Board of Directors of Peacock Isles Homeowners Association by written consent dated effective September 21, 2022.



Jon Skeele, President

DOCUMENT PRODUCTION AND COPYING POLICY

Peacock Isles Homeowners Association (“Association”) has adopted this Document Production and Copying Policy (“Policy”) to provide and describe guidelines regarding the request, inspection, production and copying of Association books and records. The purposes of the Policy are to provide guidance to homeowners and the Board of Directors as to the process, costs, and requirements for requesting, inspecting, producing and copying Association books and records and to comply with legislative requirements.

The Association shall make all books and records, including financial records, open and reasonably available for examination by a homeowner, or a person designated in writing signed by the homeowner as the homeowner’s agent, attorney, or certified public accountant (collectively “Agent”), except as otherwise provided by this Policy or legislative restrictions. This Policy does not specify which documents may or may not be available for production, but only describes the method by which to obtain documentation that may be released to a homeowner or Agent.

Requesting Documents

A homeowner or Agent must submit a written request by certified mail describing with sufficient detail the requested books and records to the mailing address of the Association or authorized representative as reflected on the most current management certificate. The written request must specify whether the homeowner or Agent elects to inspect the books and records before obtaining copies or to have the Association forward copies of the requested materials.

Requesting an Inspection

If an inspection is requested, the Association shall send written notice of dates during normal business hours that the homeowner or Agent may inspect the requested books and records on or before the 10th business day after the date the Association receives the request, except as otherwise provided by this Policy and to the extent those book and records are in the possession, custody, or control of the Association.

Inspections shall take place at a mutually agreed upon time during normal business hours, and, if copies are requested, the homeowner or Agent shall identify which books and records for the Association to copy and forward to the homeowner or Agent.

Requesting Copies

If copies of specified books and records are requested, the Association shall produce the requested books and records for the homeowner or Agent on or before the 10th business day after the date the Association receives the written request, except as otherwise provided by this Policy and to the extent those books and records are in the possession, custody, or control of the Association.

Unavailable Books and Records

If unable to produce the specified information on or before the 10th business day after receiving the request, the Association shall provide written notice to inform the requesting party that the Association is unable to produce the information by that day and state a date by which the information will be sent or made available for inspection no later than 15 business days following the date of notice.

Costs and Advanced Payment of Compilation, Production, and Reproduction Costs

Costs associated with compilation, production, and reproduction will be estimated by the Association based on charges applicable for an item or service under 1 T.A.C. Section 70.3 and amendments thereof. The homeowner shall submit advance payment of the estimated costs prior to compilation, production and reproduction of any requested materials. If the actual cost is lower or greater than the estimated cost, the Association shall send a final invoice to the homeowner on or before the 30th business day after the date the information is delivered. If the actual cost exceeds the estimated cost, the additional amounts may be added to the homeowner's account as an assessment if not paid before the 30th business day after the date the invoice is sent. If the estimated cost exceeds the actual cost, the Association shall reimburse the requesting party no later than the 30th business day after the date the invoice is sent to the homeowner.

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this policy shall not create a right in or to any person nor is any deviation or failure to follow actionable in any way or create a defense to any obligation of a homeowner to satisfy his/her financial obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this policy as it deems appropriate.

Officer Certificate

I hereby certify that the foregoing Document Production and Copying Policy was adopted by the Board of Directors of Peacock Isles Homeowners Association by written consent dated effective September 21, 2022.



Jon Skeele, President

DOCUMENT RETENTION POLICY

Peacock Isles Homeowners Association (“Association”) has adopted this Document Retention Policy (“Policy”) to provide and describe guidelines regarding retention of Association documents. The purposes of this Policy are to specify documents to be maintained by the Association for an appropriate length of time and to comply with legislative requirements for document retention.

The Association shall retain the following documents for the term(s) specified below or for such longer period as otherwise determined by the Board of Directors or as may be required by applicable law:

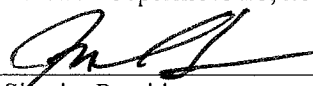
1. The certificates of formation, bylaws, restrictive covenants, and all amendments thereto shall be retained permanently by the Association.
2. Financial books and records shall be retained for a period of seven years from the fiscal year end. This does not include analyses of financial books and records.
3. Tax returns and audit records shall be retained for a period of seven years from the fiscal year end.
4. Minutes of the proceedings of the members, Board of Directors, or committees shall be retained for a period of seven years after such meeting.
5. Account records of each current member of the Association shall be retained for a period of five years from the date of entry.
6. Third party contracts having a term of one year or more shall be retained for a period of four years after expiration of the contract term

The Board of Directors may destroy, delete or throw out documents that are no longer required to be retained at any time following the expiration of the applicable minimum retention period as set forth in this Policy. The Association may retain any other documents not covered by this Policy for any period of time or may destroy, delete or throw out such documents at any time.

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this policy shall not create a right in or to any person nor is any deviation or failure to follow actionable in any way or create a defense to any obligation of a homeowner to satisfy his/her financial obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this policy as it deems appropriate.

Officer Certificate

I hereby certify that the foregoing Document Retention Policy was adopted by the Board of Directors of Peacock Isles Homeowners Association by written consent dated effective September 21, 2022.



Jon Skeelee, President

RENTAL AND LEASE POLICY

Peacock Isles Homeowners Association (“Association”) has adopted this Rental and Lease Policy (“Policy”) to provide guidance regarding the renting and leasing of residences within the subdivision. This Policy is effective upon recording in the Real Property Records of Galveston County, Texas.

Consistent with the Peacock Isles Homeowners Association governing documents, the Association has adopted the following rules and regulations:

1. Any lease, sublease or rental of a Lot for a term of less than 6 months is strictly prohibited. No Lot shall be leased, subleased or rented for less than the entire Lot.
2. Lot Owners are responsible for providing a current mailing address when renting or leasing all or part of residence.
3. Lot Owners must notify all tenants and occupants of the rules and regulations applicable to the Lot. Any violation of the applicable governing documents shall be the responsibility of both the offending party and the Lot Owner, unless otherwise provided. The offending party and Lot Owner shall be jointly and severally liable for all costs associated with a violation of the governing documents.
4. Lot Owners shall be responsible for confirming payment of any annual or special assessment authorized by the Association and are hereby notified that any occupant, tenant or subtenant may be evicted as a result of foreclosure for failure to remit payment of any assessment.
5. The Association may request a copy of any lease, sublease or rental agreement with, by and between any tenant, subtenant or renter. The failure to provide the foregoing within 30 days of the request shall be considered a violation of this policy.
6. Any person residing on a Lot older than 18 years of age shall be named in the lease, sublease or rental agreement and shall be considered a lessee or renter, as applicable.
7. The Association may request the contact information, including name, mailing address, phone number, email address of each person who will reside at the property and named in the Lease.
8. Lot Owners are required to provide the commencement date and lease term of any lease.
9. Failure to following any of the foregoing may result in a fine of \$100.00 per month.

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this Policy shall not create

a right in or to any person nor is any deviation or failure to follow actionable in any way or create a defense to any obligation of a homeowner to satisfy his/her financial or other obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this Policy as it deems appropriate.

Officer Certificate

I hereby certify that the foregoing Rental and Lease Policy was adopted by the Board of Directors of Peacock Isles Homeowners Association by written consent dated effective September 21, 2022.



Jon Skeele

FILED AND RECORDED

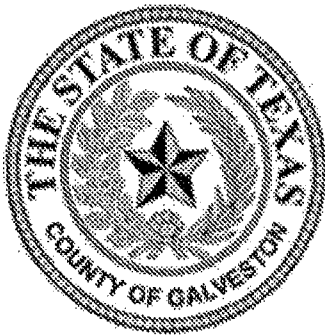
Instrument Number: 2023051628

Recording Fee: 182.00

Number Of Pages: 41

Filing and Recording Date: 10/31/2023 10:10AM

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Galveston County, Texas.



Dwight D. Sullivan

Dwight D. Sullivan, County Clerk
Galveston County, Texas

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

DO NOT DESTROY - *Warning, this document is part of the Official Public Record.*