SEVEN COVES ASSOCIATION, INC.
LEGISLATIVE POLICIES IN COMPLIANCE WITH TEXAS PROPERTY CODE

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

WHEREAS Seven Coves Association, Inc., (hereinafter the "Association") a Texas nonprofit corporation, is the governing entity for Seven Coves, Sections 1-6, subdivisions in Montgomery County, Texas, according to the maps or plats thereof, recorded in the Real Property Records of Montgomery County, Texas, under Document Nos. 275425, 290874, 762408, 762411, 7611811, and, 7611812, respectively, along with any supplements, amendments, annexations and replats thereto (hereinafter the "Subdivision"); and,

WHEREAS in 2021, the Governor of the State of Texas signed Senate Bill 1588 into law, thereby amending the Texas Property Code; and,

WHEREAS Section 202.022 of the Texas Property Code was amended to establish the right of property owners whose property is subject to restrictive covenants to install and maintain certain types of pool enclosures; and,

WHEREAS Section 209.0052 of the Texas Property Code was amended to require that property owners' associations establish a bid process for any proposed contract for services that will cost more than $50,000.00; and,

WHEREAS Section 202.023 of the Texas Property Code was amended to establish the right of property owners whose property is subject to restrictive covenants to install and maintain certain types of security measures; and,

WHEREAS Sections 202.018 of the Texas Property Code was amended to more specifically define the degree to which property owners within the Subdivision may maintain religious displays on their property; and,

WHEREAS Section 209.007 of the Texas Property Code was amended to provide additional hearing procedures that a property owners' association must follow when enforcing deed restriction violations for which an Owner is entitled to an opportunity to cure the violation; and,

WHEREAS Section 209.00505 of the Texas Property Code was added to provide hearing procedures that a property owners' associations must follow with respect to informing an Owner of a denial of an application submitted to the architectural review authority for the Association and providing for a hearing process to enable an Owner receiving such a denial to appeal the denial; and,

WHEREAS to the extent these *Legislative Policies in Compliance With Texas Property Code* conflict with any existing governing document or dedicatory instrument of the Association

or Subdivision, these *Legislative Policies in Compliance With Texas Property Code* shall control by virtue of such contrary provision being pre-empted by State law; and,

WHEREAS to the extent any existing governing document or dedicatory instrument does not conflict with these *Legislative Policies in Compliance With Texas Property Code* or the Texas Property Code, such provision remains in full force and effect, including requirements that application for and approval of improvements be obtained prior to installation; and,

WHEREAS this Dedicatory Instrument represents Restrictive Covenants as those terms are defined by Texas Property Code §202.001, et. seq, and the Association shall have and may exercise discretionary authority with respect to these Restrictive Covenants;

NOW THEREFORE, in view of the foregoing and in compliance with the Texas Property Code, the Association hereby adopts and imposes on the Subdivision the following *Legislative Policies in Compliance With Texas Property Code*:

I. SWIMMING POOL ENCLOSURE POLICY

Pursuant to Section 202.022 of the Texas Property Code, an Owner may install and maintain a swimming pool enclosure on their property to the extent it satisfies the criteria in paragraph one below and complies with the regulations set forth in paragraphs two through six below.

1. "Swimming Pool Enclosure" shall mean a fence that:

    a. surrounds a water feature, including a swimming pool or spa;

    b. consists of transparent mesh or clear panels set in metal frames;

    c. is not more than six feet in height; and

    d. is designed to not be climbable.

2. All Swimming Pool Enclosures must conform to applicable state and local safety requirements.

3. No Owner may install a Swimming Pool Enclosure prior to submitting a written application to, and receiving written approval from, the Association's architectural review authority (hereinafter the "ACC").

4. All Swimming Pool Enclosures in the Subdivision must completely surround the relevant water feature.

5. All Swimming Pool Enclosures must consist of black transparent mesh set in black metal frames, or clear panels set in black metal frames. However, alternative materials and styles of Swimming Pool Enclosures may be considered by the ACC on a case by case basis if in

harmony with surrounding structures and compatible with the architectural design and appearance of the subdivision

6. All Swimming Pool Enclosures, and all Swimming Pool Enclosure components, must be maintained in a state of good repair. Any Swimming Pool Enclosure, and/or any component of any Swimming Pool Enclosure, that deteriorates, becomes rusted, becomes discolored, and/or becomes unsafe, must be immediately replaced and/or repaired.

II. LARGE CONTRACT BID SOLICITATION POLICY

If the Association proposes to contract for services that will cost more than $50,000.00, it shall solicit bids or proposals for such services contract as provided below. If a bid or proposal is from a board member or related person or entity as defined by Texas Property Code 209.0052, the additional procedures provided by Property Code 209.0052 will be applicable.

1. The following criteria apply to determine whether a services contract will cost more than $50,000.00:

   a. The bid process is applicable to service contracts which upon execution of the agreement obligates the Association to pay more than $50,000.00 during the term of the contract.

   b. The ability of the Association to terminate a services contract without cause prior to incurring costs in excess of $50,000.00, does not relieve the Association of the obligation to follow the bid process of this policy if the contract is for a stated term and the total cost of the contract during that initial term is greater than $50,000.00.

   c. Amounts under a services contract that are contingent are not included in determining the amount the contract will cost. Costs under a services contract which are unfixed, but certain, shall be estimated to the best of the Association's ability.

   d. Amounts that may be incurred in the future under a services contract such as would occur upon the renewal of the contract are not to be included in determining the amount the contract will cost. The renewal of an existing contract is not subject to this policy.

2. A proposed services contract that will cost more than $50,000.00 shall be awarded using the following process:

   a. The Association shall attempt to obtain a total of three bids or proposals from contractors for the services desired;

   b. Contractors providing bids or proposals should be insured against liability, have experience providing the desired services, and licensed where required by law;

   c. If after diligent attempts are made to obtain the three bids or proposals, the Association is unable to obtain three bids or proposals from contractors, the Board may consider

the proposals obtained and award the contract;

d. The Association may determine on a case by case basis the specific steps it will use to contact potential contractors and solicit bids or proposals. However, in all cases at least three contractors shall be contacted and bids or proposals solicited. In the event there are not three qualified contractors for a particular service in the market area, the association may limit the process to those contractors that are qualified.

e. In the case of emergencies, the Association may employ a contractor to best resolve the emergency without following the bid/proposal process.

f. The Board is not obligated to award contracts to the low bidder but must use due diligence in considering all relevant factors regarding the contractor and their proposal.

III. SECURITY MEASURES POLICY

Pursuant to Section 202.023 of the Texas Property Code, a property owner may install security measures, including but not limited to, a security camera, motion detector, or perimeter fence, to the extent such measure complies with the regulations set forth below.

1. An Owner is prohibited from installing a security camera in a place other than on the Owner's private property.

2. Any security perimeter fence to be installed at or behind the front building line (and as to corner lots, the front and side street building lines) must meet all Association requirements in its dedicatory instruments relative to materials, height, location and appearance for privacy fencing.

3. Any security perimeter fences to be installed forward of the front (or side street) building line are subject to the right of the ACC to require different types of fencing front of the building line than the type behind the building line (including without limitation the type of material, color, style and design) and must comply with regulations to be established by the board of directors of the Association, if any.

4. No Owner may install a security measure that is visible from any street in the Subdivision until they have submitted a written application to, and received written approval from, the ACC.

IV. RELIGIOUS DISPLAY POLICY

Pursuant to Section 202.018 of the Texas Property Code, a property owner or resident may display or affix on the Owner's or resident's property or dwelling, one or more religious items, subject to the following regulations:

1. No Owner may display or affix a religious item that:

a. is not motivated by the Owner's or resident's sincere religious belief (the Association should not attempt to discern a person's motive or sincerity of belief beyond that stated by the Owner or resident);

b. threatens the public health or safety;

c. violates a law other than a law prohibiting the display of religious speech;

d. contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content.

2. No Owner may display or affix a religious item on property owned or maintained by the Association.

3. No Owner may display or affix a religious item in violation of any applicable building line, right-of-way, setback, or easement.

4. No Owner may display or affix a religious item to a traffic control device, street lamp, fire hydrant, or utility sign, pole, or fixture.

V. DEED RESTRICTION VIOLATION HEARING POLICY

1. If an Owner is entitled to an opportunity to cure a violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before the board of the property owners' association.

2. An Owner desiring a hearing must request a hearing on or before the 30th day after the date the notice of violation and right to a hearing was mailed to the Owner. Any Owner that does not request a hearing within thirty (30) days of receiving certified notice of Owner's deed restriction violation will not be entitled to a hearing.

3. An Owner shall request such a hearing in writing, either by mail, electronic mail or hand delivery. Such request must be delivered to the Association's address or electronic mail address provided on the most recently filed management certificate.

4. The Association shall hold a hearing under this section not later than the 30th day after the date the board receives the Owner's request for a hearing.

5. The Association shall notify the Owner of the date, time, and place of the hearing not later than the 10th day before the date of the hearing.

6. The Association's board or the Owner may request a postponement and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties.

7. The Owner or the Association may make an audio recording of the meeting.

8. The notice and hearing provisions of this policy do not apply if the association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action.

9. The notice and hearing provisions of this policy do not apply to a temporary suspension of a person's right to use common areas if the temporary suspension is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the subdivision. The temporary suspension is effective until the board makes a final determination on the suspension action after following the procedures prescribed by this policy.

10. Not later than ten (10) days before the association holds a hearing under this section, the Association shall provide to the Owner requesting the hearing a packet containing all documents, photographs, and communications (not to include any attorney-client privileged communications) relating to the matter the association intends to introduce at the hearing.

11. If an Association does not provide a packet within the designated period, the Owner is entitled to an automatic 15-day postponement of the hearing.

12. During a hearing, a member of the board or the Association's designated representative shall first present the Association's case against the Owner. An Owner or the Owner's designated representative is entitled to present the Owner's information and issues relevant to the appeal or dispute.

13. All hearings will be held in private.

14. After the hearing is concluded, the Owner and their designated representative will leave the hearing so the Board may discuss and consider the information presented.

15. The Association will provide the Owner with a written notice with their decision regarding the matter of the hearing.

VI. ACC DENIAL LETTER AND APPEAL HEARING POLICY

1. A decision by the Association's ACC denying an application for request by an Owner for the construction of improvements in the Subdivision may be appealed to the Board.

2. A written notice of the denial must be provided to the Owner by certified mail, hand delivery, or electronic delivery.

3. The denial notice must:

    a. describe the basis for the denial in reasonable detail and describe changes, if any, to the application or improvements required as a condition to approval; and

b. inform the Owner that the owner may request a hearing on or before the thirtieth (30th) day after the date the disapproval notice was mailed or delivered to the owner.

4. An Owner desiring a hearing appealing a denial shall request such a hearing in writing, either by mail, electronic mail or hand delivery. Such request must be delivered to the Association's address or electronic mail address provided on the most recently filed management certificate.

5. The board shall hold a hearing not later than the thirtieth (30th) day after the date the board receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. Only one hearing is required.

6. During a hearing, the board or the designated representative of the property owners' association and the Owner or the Owner's designated representative will each be provided the opportunity to discuss, verify facts, and resolve the denial of the Owner's application or request for the construction of improvements, and the changes, if any, requested by the ACC in the notice provided to the owner.

7. The board or the Owner may request a postponement of the hearing. If requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties.

8. All hearings will be held in private. The board will consider and vote upon the outcome of the hearing in an open meeting for which notice was provided to the members.

9. The Association or the Owner may make an audio recording of the meeting.

10. The board as appropriate, may affirm, modify, or reverse, in whole or in part, any decision of the ACC.

11. The Association will provide the Owner with a written notice of their decision regarding the matter of the hearing.

[CERTIFICATION AND ACKNOWLEDGMENT TO FOLLOW]

CERTIFICATION

"I, the undersigned, being a Director of Seven Coves Association, Inc., hereby certify that the foregoing *Legislative Policies in Compliance With Texas Property Code* were adopted by at least a majority of Seven Coves Association, Inc.'s board of directors at an open and properly noticed meeting of the board, at which a quorum of the board was present."

By: _____

Print name: DON CHRONISTEIN Title: PRESIDENT

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MONTGOMERY

BEFORE ME, the undersigned authority, on this day personally appeared the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that he is the person who signed the foregoing document in his representative capacity and that the statements contained therein are true and correct.

Given under my hand and seal of office this the 30 day of November, 2023.

_____

Notary Public, State of Texas

NOTARY PUBLIC STATE OF TEXAS

DONNA TUTT
Notary Public, State of Texas
NOTARY ID # 3550455
My Commission Exp 10-04-2026