



Property Owners Management Certificate

In accordance with Texas. Property. Code Ann. Section 209.004 this Management Certificate is to be recorded in Galveston County.

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|---|--|
| 1. NAME OF THE SUBDIVISION | Kahala Beach Estates Addition No 1 |
| 2. NAME AND ADDRESS OF THE ASSOCIATION | KBE-HOA, Inc.
Kahala Drive East, Galveston, Texas |
| 3. RECORDING DATA FOR THE SUBDIVISION | Volume 18, Page 443, Instrument # 9340266, Map
Records of Galveston County, Texas |
| 4. RECORDING DATA FOR THE DECLARATION | Declaration of Covenants, Conditions and Restrictions
for Kahala Beach Estates, Addition No. 1 A Subdivision
in Galveston County, Texas
Instrument # 9340828, Galveston County, September 27,
1993 |
| 5. NAME AND MAILING ADDRESS OF THE ASSOCIATION; | KBE-HOA, Inc..
c/o Rapp Management
1703 Broadway
Galveston, TX 77550-4910 |
| 6. NAME AND MAILING ADDRESS OF THE PERSON MANAGING THE ASSOCIATION OR THE ASSOCIATION'S DESIGNATED REPRESENTATIVE | Brad Larkin,
President, Board of Directors, KBE-HOA, Inc.
6023 Avenue S # 231
Galveston, TX 77551
btlarkin1@gmail.com |
| 7. OTHER INFORMATION THE ASSOCIATION CONSIDERS APPROPRIATE | Prospective purchasers are advised to independently
examine the Declaration, Plat Map, Articles of
Incorporation, By-Laws, and all other dedicatory
instruments of the Association, together with obtaining
an official Resale Certificate and performing a
comprehensive physical inspection of the lot / home and
common areas prior to purchase. |

Signed this 22 day of Oct, 2012

KBE-HOA, Inc.

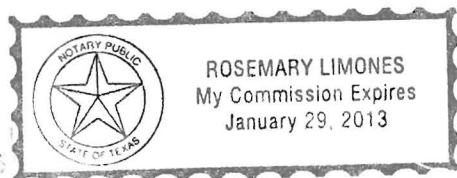
By: *Bradley T Larkin*
Bradley T Larkin
President

STATE OF TEXAS

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COUNTY OF GALVESTON

This instrument was acknowledged before me on the 22nd day of Oct, 2012 by Bradley T Larkin, duly authorized agent for KBE-HOA, Inc., on behalf of said association.



Rosemary Limones

Notary Public in and for the State of Texas

PAYMENT PLAN POLICY

208

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WHEREAS, the KBE-HOA, Inc. ("Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as "Declarations"); and

WHEREAS, chapter 209 of the Texas Property Code was amended effective January 1, 2012, to add Section 209.0062 ("Section 209.0062") thereto regarding alternative payment schedules for assessments ("Payment Plans"); and

WHEREAS, the Board of Directors of the Association ("Board") desires to establish a policy for Payment Plans consistent with Section 209.0062 and to provide clear and definitive guidance to owners.

1. Subject to Section 12 below, owners are entitled to make partial payments for delinquent amounts owed to the Association under a Payment Plan in compliance with this Policy.
2. Late fees, penalties and delinquent collection related fees will be not be added to the owner's account while the Payment Plan is active. The Association may impose a fee for administering a Payment Plan. Such fee, if any, will be listed on the Payment Plan form and may change from time-to-time. Interest will continue to accrue during a Payment Plan as allowed under the Declarations. The Association can provide an estimate of the amount of interest that will accrue under any proposed plan.
3. All Payment Plans must be in writing on the form provided by the Association and signed by the owner.
4. The Payment Plan becomes effective and is designated as "active" upon:
 - a. receipt of a fully completed and signed Payment Plan form; and
 - b. receipt of the first payment under the plan; and
 - c. acceptance by the Association as compliant with this Policy.
5. A Payment Plan may be as short as three (3) months and as long as twelve (12) months based on the guidelines below. The durations listed below are provided as guidelines to assist owners in submitting a Payment Plan.
 - a. Total balance less than or equal to two (2) times annual assessment up to 6 months
 - b. Total balance over two (2) times annual assessment up to 12 months
6. On a case-by-case basis and upon request of the owner, the Board may approve more than one Payment Plan to be executed in sequence to assist the owner in paying the amount owed. The individual Payment Plans may not exceed eighteen (18) months.
7. A Payment Plan must include sequential monthly payments. The total of all proposed payments must equal the current balance plus Payment Plan administrative fees, if any, plus the estimated accrued interest.
8. If an owner requests a Payment Plan that will extend into the next assessment cycle, the owner will be required to pay future assessments by the due date in addition to the payments specified in the Payment Plan.


9. If an owner defaults on the terms of the Payment Plan, the Payment Plan will be voided. The Association will provide written notice to the owner that the Payment Plan has been voided. It is considered a default of the Payment Plan, if the owner:
- a. Fails to return a signed Payment Plan form with the initial payment; or
 - b. Misses a payment due in a calendar month; or
 - c. Makes a payment for less than the agreed upon amount; or
 - d. Fails to pay a future assessment by the due date in a Payment Plan which spans additional assessment cycles.

In the absolute discretion of the Association, the Association may waive default under item b, c or d above if the owner makes up the missed or short payment on the immediate next calendar month payment. The Association may, but has no obligation to, provide a courtesy notice to the owner of the missed or short payment.

10. On a case-by-case basis, the Association may agree, but has no obligation, to reinstate a voided Payment Plan once during the original duration of the Payment Plan if all missed payments are made up at the time the owner submits a written request for reinstatement.
11. If a Payment Plan is voided, the full amount due by the owner shall immediately become due. The Association will resume the process for collecting amounts owed using all remedies available under the Declarations and the law.
12. The Association has no obligation to accept a Payment Plan from any owner who has defaulted on the terms of a Payment Plan within the last two (2) years.

This Policy is effective upon recordation in the Public Records of Galveston County, and supersedes any policy regarding alternative payment schedules which may have previously been in effect. Except as affected by Section 209.0062 and/or by this Policy, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.

Approved and adopted by the Board on this 20 day of Oct, 2012



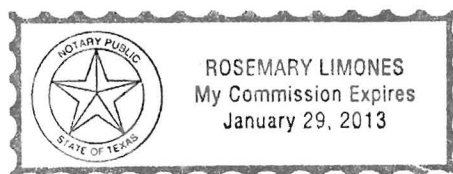
Bradley T Larkin
President
KBE-HOA, Inc.

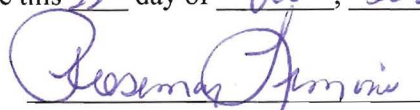
STATE OF TEXAS §

COUNTY OF GALVESTON §

Before me, the undersigned authority, on this day personally appeared Bradley T Larkin, President of KBE-HOA, Inc., a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he has executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 22nd day of Oct, 2012





Notary Public in and for the State of Texas

KBE-HOA, INC.

DOCUMENT RETENTION POLICY

STATE OF TEXAS §
COUNTY OF GALVESTON §

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the KBE-HOA, Inc. ("Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as "Declarations"); and

WHEREAS, chapter 209 of the Texas Property Code was amended effective January 1, 2012, to add Section 209.005(m) ("Section 209.005") thereto regarding retention of Association documents and records ("Documents"); and

WHEREAS, the Board of Directors of the Association ("Board") desires to establish a policy for document retention consistent with Section 209.005 and to provide clear and definitive guidance to owners.

NOW, THEREFORE, the Board has duly adopted the following *Document Retention Policy*.

1. Association Documents may be maintained in paper format or in an electronic format that can be readily transferred to paper.
2. Association Documents shall be retained for the durations listed below:
 - a. certificate of formation or articles of incorporation, bylaws, restrictive covenants, other dedicatory instruments and any amendments to same shall be retained permanently; and
 - b. financial books and records, including annual budgets, reserve studies, monthly financial statements and bank statements, shall be retained for seven (7) years (for example the July 2011 financial statements shall be retained until July 31, 2018); and
 - c. account records of current owners shall be retained for five (5) years (for example, invoice, payment and adjustment records on an owner's account with a transaction date of 08/15/2011 will be retained until 08/15/2016 subject to section (d) below); and
 - d. account records of former owners shall be retained as a courtesy to that former owner for one (1) year after they no longer have an ownership interest in the property; and
 - e. contracts with a term of one year or more shall be retained for four (4) years after the expiration of the contract term (for example, a contract expiring on 06/30/2011 and not extended by amendment must be retained until 06/30/2015); and
 - f. minutes of meetings of the owners and the Board shall be retained for seven (7) years after the date of the meeting (for example, minutes from a 07/20/2011 board meeting must be retained until 07/20/2018); and
 - g. tax returns and CPA audit records shall be retained for seven (7) years after the last date of the return or audit year (for example, a tax return for the calendar year 2011 shall be retained until 12/31/2018); and

- h. decisions of the Board of Directors regarding applications, variances, waivers or related matters associated with individual properties shall be retained for seven (7) years from the decision date (for example, an application for a swimming pool approved on 10/31/2011 must be retained until 10/31/2018).
- 3 Any Documents not described above may be retained for the duration deemed to be useful to the purpose of the Association, in the discretion of the Board, its attorney or its managing agent.
- 4 Upon expiration of the retention period listed above, the Documents shall no longer be considered Association records and may be destroyed, discarded, deleted, purged or otherwise eliminated.

This Policy is effective upon recordation in the Public Records of Galveston County, and supersedes any policy regarding document retention which may have previously been in effect. Except as affected by Section 209.005 and/or by this Policy, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.

Approved and adopted by the Board on this 20 day of Oct, 2012

B T Larkin

Bradley T Larkin
President
KBE-HOA, Inc.

STATE OF TEXAS

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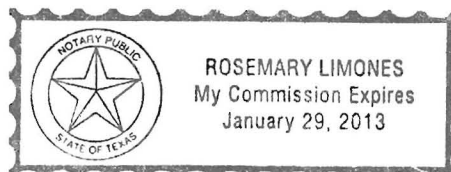
COUNTY OF GALVESTON

Before me, the undersigned authority, on this day personally appeared Bradley T Larkin, President of KBE-HOA, Inc., a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he has executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 22nd day of Oct, 2012

Rosemary Limones

Notary Public in and for the State of Texas



RECORDS PRODUCTION AND COPYING POLICY

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1. Association Records shall be reasonably available to every owner. An owner may also provide access to Records to any other person (such as an attorney, CPA or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is actually from the owner, the owner must include a copy of his/her photo ID or have the proxy notarized.
2. An owner, or their proxy as described in section 1, must submit a written request for access to or copies of Records. The letter must:
 - a. be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records; and
 - b. contain sufficient detail to identify the specific Records being requested; and
 - c. indicate whether the owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If forwarded, the letter must indicate the format, delivery method and address:
 - (1) format: electronic files, compact disk or paper copies
 - (2) delivery method: email, certified mail or pick-up
3. Within ten (10) business days of receipt of the request specified in section 2 above, the Association shall provide:
 - a. the requested Records, if copies were requested and any required advance payment had been made; or
 - b. a written notice that the Records are available and offer dates and times when the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association; or
 - c. a written notice that the requested Records are available for delivery once a payment of the cost to produce the records is made and stating the cost thereof; or
 - d. a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method and the delivery address; or
 - e. a written notice that the requested Records cannot be produced within ten (10) business days but will be available within fifteen (15) additional business days from the date of the notice and payment of the cost to produce the records is made and stating the cost thereof.
4. The following Association Records are not available for inspection by owners or their proxies:

- a. the financial records associated with an individual owner; and
- b. deed restriction violation details for an individual owner; and
- c. personal information, including contact information other than an address for an individual owner; and
- d. attorney files and records in the possession of the attorney; and
- e. attorney-client privileged information in the possession of the Association.

The information in a, b, and c above will be released if the Association receives express written approval from the owner whose records are the subject of the request for inspection.

- 5 Association Records may be maintained in paper format or in an electronic format. If a request is made to inspect Records and certain Records are maintained in electronic format, the owner or their proxy will be given access to view the electronic records on their own equipment if the owner provides a valid email address and agrees to reasonable controls to prevent unauthorized access or distribution of such electronic records. Association shall not be required to transfer such electronic records to paper format unless the owner or their proxy agrees to pay the cost of producing such copies.
- 6 If an owner or their proxy inspecting Records requests copies of certain Records during the inspection, Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, whichever is later.
- 7 The owner is responsible for all costs associated with a request under this Policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations) as listed below:
 - a. black and white 8W"x 11" single sided copies \$0.10 each
 - b. black and white 8W"x11" double sided copies \$0.20 each
 - c. color 8W"x11" single sided copies \$0.50 each
 - d. color 8W"x11" double sided copies \$1.00 each
 - e. PDF images of documents ... \$0.10 per page
 - f. compact disk ... m\$1.00 each
 - g. labor and overhead ... \$80.00 per hour
 - h. mailing supplies ... \$1.00 per mailing
 - i. postage ... at cost
 - j. other supplies at cost to purchase as well as costs to ship and accumulate
 - k. third party fees at cost costs, shipping, and labor
8. Any costs associated with a Records request must be paid in advance of delivery by the owner or their proxy. An owner who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.
9. On a case-by-case basis where an owner request for Records is deemed to be minimal, the Association or its managing agent reserves the right to waive notice under section 2 and/or fees under section 4.
10. All costs associated with fulfilling the request under this Policy will be paid by the Association's general account. Any charges or direct costs for such services from the Association's agents or bookkeepers should be included on that agent's invoice to the Association.

This Policy is effective upon recordation in the Public Records of Galveston County, and supersedes any policy regarding records production which may have previously been in effect. Except as affected by Section 209.005 and/or by this Policy, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.

Approved and adopted by the Board on this 20 day of Oct, 2012

B.T. Larkin

Bradley T Larkin
President
KBE-HOA, Inc.

STATE OF TEXAS

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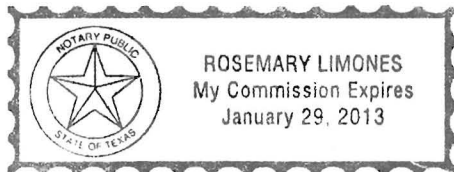
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COUNTY OF GALVESTON

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Before me, the undersigned authority, on this day personally appeared Bradley T Larkin, President of KBE-HOA, Inc., a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he has executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 20th day of Oct, 2012



Rosemary Limones

Notary Public in and for the State of Texas

POLICY FOR PRIORITY OF PAYMENTS

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KNOW ALL PERSONS BY THESE PRESENTS:

This policy shall supersede and render null and void any previously adopted priority of payment/payment plan policy to the extent that the terms of such policy are contradictory.

This is to certify that the foregoing Policy for Priority of Payments was adopted by the Board of Directors, in accordance with Section 209.0063 of the Texas Property Code. Priority of Payments Policy

Approved and adopted by the Board on this 20 day of Oct, 2012

B T Larkin

Bradley T Larkin
President
KBE-HOA, Inc.

STATE OF TEXAS

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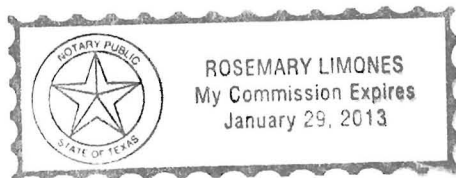
COUNTY OF GALVESTON

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Given under my hand and seal of office this 22nd day of Oct, 2012

Rosemary Limones



Notary Public in and for the State of Texas

KBE-HOA, INC.

ARCHITECTURAL REVIEW COMMITTEE NONEXISTENCE POLICY

STATE OF TEXAS

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KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF GALVESTON

WHEREAS, the KBE-HOA, Inc. ("Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as "Declarations"); and

WHEREAS, some of the founding documents of the association make reference to an Architectural Review Committee to perform functions, however, no such Committee has been established in living memory.

WHEREAS, the Board of Directors of the Association ("Board") desires to clarify that the Board of Directors as a whole performs the functions and accepts the responsibilities of the Architectural Review Committee.

NOW, THEREFORE, the Board has duly adopted the following *Architectural Review Committee Nonexistence Policy*.

1. Board of Directors of the Association ("Board") as a whole performs the functions and accepts the responsibilities of the Architectural Review Committee Subject. There is not a separate Committee limited only to Architectural Review.

Approved and adopted by the Board on this 20 day of Oct, 2012

B.T. Larkin

Bradley T Larkin
President
KBE-HOA, Inc.

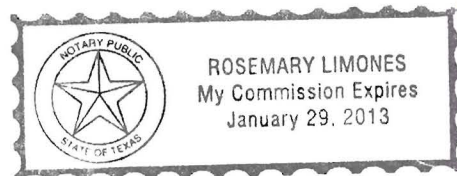
STATE OF TEXAS

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COUNTY OF GALVESTON

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Given under my hand and seal of office this 22nd day of Oct, 2012



Rosemary Limones

Notary Public in and for the State of Texas

KBE-HOA, INC.
ESTABLISHMENT OF OFFICIAL WEB SITE

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF GALVESTON §

WHEREAS, the KBE-HOA, Inc. ("Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as "Declarations"); and

WHEREAS, a web site has been established for promoting the welfare and image of the Association at www.kahalagalveston.com.

WHEREAS, the Board of Directors of the Association ("Board") desires to improve communication to members and provide electronic access to founding declarations and documents of the Association.

NOW, THEREFORE, the Board has duly adopted www.kahalagalveston.com as the official web site of the Association.

1. Association members are encouraged to maintain updated contact and email information via this web site.
2. Official communications of meetings of the Association and its Board of Directors will be posted on the official web site in conjunction with Texas Property Code Sec. 209.0051.

Approved and adopted by the Board on this 20 day of Oct, 2012

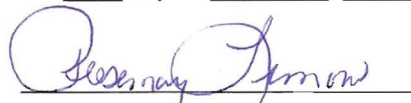


Bradley T Larkin
President
KBE-HOA, Inc.

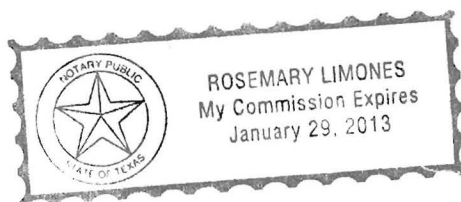
STATE OF TEXAS §
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COUNTY OF GALVESTON §

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Given under my hand and seal of office this 22nd day of Oct, 2012



Notary Public in and for the State of Texas



FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Dwight D. Sullivan

2012058131

October 22, 2012 03:38:51 PM

FEE: \$60.00

Dwight D. Sullivan, County Clerk

Galveston County, TEXAS

Seal of the State of Texas
County of Galveston