

**TWIN LAKES OWNERS ASSOCIATION, INC.
COVENANT ENFORCEMENT AND FINING POLICY**

WHEREAS, the Board of Directors (“Board”) of Twin Lakes Owners Association, Inc. (the “Association”) governs the Association for the properties subject to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Twin Lakes Owners Association, Inc. (“Declaration”), recorded on January 10, 2006 as Instrument Number 2006-3647 of the Real Property Records, Denton County, Texas, and any and all amendments and supplements thereto; and

WHEREAS, the Board finds there is a need to establish procedures for the enforcement of the Declaration, guidelines, bylaws, rules and regulations, resolutions, and policies of the Association (collectively, “Governing Documents”) in compliance with the Texas Property Code; and

THEREFORE, BE IT RESOLVED that the Board adopts this Covenant Enforcement and Fining Policy (“Policy”) as follows:

1. Establishment of Violation. Any condition, use, landscape or maintenance failure, activity, repair, alteration, construction, addition, modification or improvement which does not comply with any provision of the Governing Documents shall constitute a Violation under this Policy for all purposes.

2. Types of Violations. Section 209.006 of the Texas Property Code refers to curable violations, incurable violations, and violations which are considered a threat to public health or safety. This Policy sets forth two enforcement procedures to be followed depending on whether the Violation is (a) curable and does not pose a threat to public health or safety, or (b)(i) incurable, or (ii) poses a threat to public health or safety. The Board has the authority to determine the type of Violation and, therefore, which procedure to be followed.

3. Enforcement of Curable Violations that Do Not Pose a Threat to Public Health/Safety.

a. Optional Courtesy Notice. Upon verification of the existence of a Violation, a courtesy letter may be sent to the Owner describing the Violation and requesting that the Owner cure the Violation within a stated time period. The Association is not required to send a courtesy letter.

b. Notice of Violation. Upon verification of the existence of a curable Violation, or upon the expiration of any time period set forth in any Courtesy Letter, the Owner will be sent a written notice of the existence of the Violation (“Notice of Violation”) by first class mail or personal delivery, and by certified mail to the Owner’s last known address as shown on the Association records. Additionally, if the Association has an e-mail address for the Owner, a copy of the Notice of Violation may be sent by e-mail. A Notice of Violation is not required if the Association sent the alleged violator a Notice of Violation for the same or similar Violation within six (6) months prior to the current Violation and the Owner was given the opportunity to exercise a right to a hearing, if any, and a right to a reasonable period to cure, if any. The Notice of Violation, if required, will state the following:

- (i) The nature and description of the Violation that is the basis for the suspension action, charge, or fine to be imposed, and any amount due to the Association from the Owner;
 - (ii) The Owner is entitled to a reasonable period of at least ten (10) days to cure the Violation and avoid the suspension action, charge, or fine;
 - (iii) The specific date by which the Violation must be cured;
 - (iv) The Owner may make a written request for a hearing under Texas Property Code Section 209.007 on or before the 30th day after the date the Notice of Violation was mailed to the Owner;
 - (v) The Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. App. Section 501 et seq.), if the Owner is serving on active military duty; and
 - (vi) Any attorney's fees and costs incurred by the Association relating to collecting amounts, including damages, due the Association for enforcing the Governing Documents will be charged to the Owner if the Violation continues after a date certain.
- c. Hearing. If a hearing is properly requested by the Owner, the hearing will be held not later than the 30th day after the date the Association receives the Owner's written request for a hearing; the Association will notify the Owner of the date, time and place of the hearing not later than the 10th day before the hearing. If a postponement is requested by the Owner or the Association, a postponement must be granted for a period of not more than ten (10) days, with additional postponements allowed by agreement of the parties.
- d. Remedies. If a hearing is not properly requested by the Owner, the Violation must be cured within the time frame set forth in the Notice of Violation. Fines, suspensions of rights to use any of Areas of Common Responsibility and other remedies available to the Association may be implemented after the expiration of the thirty (30) day time frame provided to the Owner to request a hearing. The Owner is liable for reasonable attorneys' fees and other costs incurred by the Association after the conclusion of a hearing, or, if a hearing is not requested, after the date by which the Owner must request a hearing. The Association is entitled to exercise the self-help remedies set forth in the Declaration and may suspend the right to use any of the Areas of Common Responsibility as well as other privileges. Additionally, the Association may file suit for the recovery of damages or injunctive relief. A notice of violation may also be recorded in the real property records if the Violation is not cured within the specified time frame.

4. Enforcement of Uncurable Or Pose a Threat to Public Health or Safety Violations.

- a. Notice of Violation. Upon verification of the existence of an incurable Violation or one that poses a threat to public health or safety, the Owner will be sent a written notice of the existence of the Violation (“Notice of Violation”) by first class mail or personal delivery, and by certified mail to the Owner’s last known address as shown on the Association records. Additionally, if the Association has an e-mail address for the Owner, a copy of the Notice of Violation may be sent by e-mail. A Notice of Violation is not required if the Association sent the alleged violator a Notice of Violation for the same or similar Violation within six (6) months prior to the current Violation and the Owner was given the opportunity to exercise a right to a hearing, if any. The Notice of Violation, if required, will state the following:
- (i) The nature and description of the Violation that is the basis for the suspension action, charge, or fine to be imposed, and any amount due to the Association from the Owner;
 - (ii) The Owner may make a written request for a hearing under Texas Property Code Section 209.007 on or before the 30th day after the date the Notice of Violation was mailed to the Owner;
 - (iii) The Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. App. Section 501 et seq.), if the Owner is serving on active military duty; and
 - (iv) Any attorney’s fees and costs incurred by the Association relating to collecting amounts, including damages, due the Association for enforcing the Governing Documents will be charged to the Owner if the Violation continues after a date certain.
- b. Hearing. If a hearing is properly requested by the Owner, the hearing will be held not later than the 30th day after the date the Association receives the Owner’s written request for a hearing; the Association will notify the Owner of the date, time and place of the hearing not later than the 10th day before the hearing. If a postponement is requested by the Owner or the Association, a postponement must be granted for a period of not more than ten (10) days, with additional postponements allowed by agreement of the parties.
- c. Remedies. Regardless of whether the Owner chooses to request a hearing, fines, suspensions of rights to use any of the Areas of Common Responsibility and other remedies available to the Association may be implemented after mailing the Notice of Violation to the Owner. The Owner is liable for reasonable attorneys’ fees and other costs incurred by the Association after the conclusion of a hearing, or, if a hearing is not requested, after the date by which the Owner must request a hearing. The Association is entitled to exercise the self-help remedies set forth in the Declaration and may suspend the right to use any of the Areas of Common Responsibility as well as other privileges. Additionally, the Association may file suit for the recovery of damages or injunctive relief. A notice of violation may also be recorded in the real property records if the Violation is not eliminated within the specified time frame.

d. Exception to Notice and Hearing Provisions. The notice and hearing provisions set forth in subsections 4.a. and 4.b. above do not apply to a temporary suspension of a person's right to use the Areas of Common Responsibility if the temporary suspension is the result of a Violation that occurred in the Areas of Common Responsibility 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.

5. Subsequent Violation. If an Owner has been given notice in accordance with this Policy in the preceding six (6) month period, notice is not required for the recurrence of the same or similar Violation. The Association may impose fines or suspend the Owner's right to use any of the Areas of Common Responsibility without first sending another demand for compliance.

6. Fines. Subject to the notice provisions set forth above, as applicable, the Association may impose reasonable monetary fines against an Owner as a result of the Violation. The Board may adopt and amend, from time to time, a Schedule of Fines applicable to Violations, which may include a progression of fines for repeat offenders. An uncured Violation may be considered a repeat offense, which may result in a fine every thirty (30) days until cured. There shall be no limit to the aggregate amount of fines that may be levied for the same or similar Violation.

7. Referral to Legal Counsel. Where a Violation is determined to exist and it is in the best interests of the Association, the Board may refer the Violation to legal counsel for appropriate action at any time. Such action may include, without limitation, a suit for injunctive relief or damages against the Owner, or any other legal or equitable remedy that may be available to the Association. Attorney's fees and costs incurred by the Association in enforcing the Governing Documents and administering this Policy are subject to the assessment lien provisions of Article IX of the Declaration, in addition to becoming the personal obligation of the Owner in accordance with the Texas Property Code.

8. Non-waiver. The Board, in its sole discretion, reserves the right to suspend or waive some or all of the fines or sanctions imposed under this Policy. Such suspension or waiver shall not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

IT IS FURTHER RESOLVED that this Policy is effective upon its filing in the Real Property Records, Denton County, Texas.

This is to certify that the foregoing Policy was adopted by the Board of Directors at a meeting of the Board on _____, 2024, and has not been modified, rescinded or revoked.

Title:

Date_____