

LAKES OF COPPELL OWNERS ASSOCIATION, INC.

COVENANT ENFORCEMENT AND FINING POLICY

WHEREAS, the Board of Directors of Lakes of Coppel Owners Association, Inc. (the "Association") finds there is a need to establish orderly procedures for the enforcement of the architectural control provisions and covenants contained in the Declaration and for the elimination of violations found to exist within the Lakes of Coppel; and

WHEREAS, pursuant to Article V, Section 5.01(a) of the Declaration the Board is authorized to enforce the terms and provisions of the Governing Documents, including the imposition of reasonable fines for violations of the Governing Documents; and

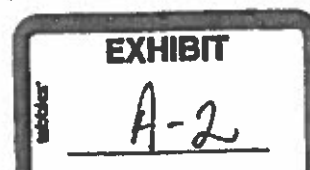
WHEREAS, in order to comply with the requirements of Sections 209.006 and 209.007 of the Texas Residential Property Owners Protection Act (the "Act"), the Board of Directors of the Association desires to promulgate the following policy establishing procedures for the enforcement of the restrictive covenants set forth in the Governing Documents and for the levying of fines against violating owners; and

WHEREAS, the Board of Directors adopted an "Architectural Control and Enforcement Policy" as Restated Administrative Resolution No. 6 on or about August 19, 1999, recorded on or about June 13, 2000 at Volume 2000115, Page 02344 *et seq.* of the Real Property Records of Dallas County, Texas (the "ARC Enforcement Policy"); and

WHEREAS, the ARC Enforcement Policy exclusively addresses the enforcement procedures applicable to construction of improvements which have not received prior approval from the Architectural Review Committee or which does not conform to the approval from the Architectural Review Committee; and

WHEREAS, the Board of Directors desires to adopt the following covenant enforcement and fining policy to address enforcement of all other restrictive covenants contained in the Governing Documents.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the enforcement of the Governing Documents and for the elimination of violations of the Governing Documents found to exist in, on and about the Units and Common Area within The Lakes of Coppel and the same are to be known as the "Covenant Enforcement and Fining Policy" (to be referred to herein as the "Enforcement Policy"). This Enforcement Policy and the procedures herein do not apply if the Association files suit seeking a temporary restraining order or temporary injunctive relief, files suit to recover money damages, is seeking unpaid assessments and is pursuing judicial or non-judicial foreclosure, is pursuing a self-help remedy, or in the event the Association temporarily suspends an Owner's right to use Common Area based upon a violation that occurred on the Common Area and involved a significant and immediate risk of harm to others in the community. Additionally, all violations involving



Article X and Article XV, Section 15.06 of the Declaration shall be governed by the ARC Enforcement Policy and not this Enforcement Policy.

1. Generally. The steps and procedures contained in this Policy serve as a general outline of the procedures to follow for enforcement of the covenants, conditions, restrictions and rules contained in the Governing Documents; provided, however, that this Enforcement Policy does not apply to collection of assessments and related costs and charges. The Association is not bound to follow the exact procedures in every enforcement matter except as required by the Governing Documents or the Act. The procedures in this Enforcement Policy are not intended to constitute a prerequisite or condition precedent to the Association's ability to pursue a remedy to enforce against any violation or to obtain any legal relief or remedy except as required by the Act.

2. Establishment of Violation. Any condition, use, activity or improvement which does not comply with the provisions of the Governing Documents shall constitute a "Violation" under this Policy for all purposes.

3. Report of Violation. Upon discovery of a Violation, the Board or its delegate may, but is not obligated to, forward to the Owner of the Lot in question written notice via regular first-class mail or via postcard of the discovery of a Violation(s) (the "Courtesy Notice"). The Owner will have at least fourteen (14) days from the date of the Courtesy Notice to correct or eliminate the Violation(s). The Board or its delegate may, in lieu of this notice, proceed immediately to the notice set forth in Paragraph 4 below.

4. Notice of Violation. If the Violation is not corrected or eliminated within the time period specified in the Courtesy Notice, or if the Board or its delegate deem it appropriate to proceed without the Courtesy Notice, the Association will forward to the Owner of the Lot in question written notice of the Violation(s) by certified mail (the "Notice of Violation"). A Notice of Violation is not required if the alleged violator was previously given a Notice of Violation within six (6) months of the current Violation and was given the opportunity to exercise any rights listed below in the preceding six (6) months. In such event, the Board may impose sanctions as authorized by the Declaration and/or this Enforcement Policy without notice to the Owner other than the Notice of Sanction/Fine described below. A Notice of Violation is also not required if the Act does not require it. The Notice of Violation, if required, will state the following:

a. The description of the Violation, including any property damage caused by the Owner, and state any amount due to the Association from the Owner.

b. The proposed sanction to be imposed, including, but not limited to, the amount of any fine, suspension of rights to use Common Area, the use of self-help remedies or the amount claimed to be due from the owner for property damage.

c. That the Owner is entitled to a reasonable period to cure the Violation and avoid the fine or sanction if the Violation is of a curable nature and does not pose a threat to

public health or safety, a description of the action required to cure the Violation, and a date by which the owner must cure the violation.

d. A statement that 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.

e. The recipient may, on or before thirty (30) days after the date of the Notice of Violation (the date of mailing), deliver to the Association a written request for a hearing.

f. If a curable Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if the conduct which constitutes a Violation is committed again, or if a written request for a hearing is not made on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions or actions delineated in the Notice of Violation may be imposed or taken and that any attorney's fees and costs will be charged to the Owner.

If the hearing described in e. above is to be held before a committee or delegate of the Board, the Notice of Violation will state that the Owner has the right to appeal the decision of the committee or delegate to the Board.

5. Notice of Sanction/Fine. A formal notice of the Violation and the sanction or action to be imposed or taken, including the amount of any fine or the amount of any property damage (the "Notice of Sanction/Fine") will be sent by the Association to the Owner by regular first-class mail and by certified mail, return receipt requested, where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated or the Association has not timely received a written request for a hearing.

6. Request for a Hearing. If the Owner timely requests a hearing, the hearing may be held before the Covenants Committee, if ever created by the Board, or in executive session of the Board or its delegate affording the alleged violator a reasonable opportunity to be heard. The Association will notify the Owner in writing of its decision and action.

7. Appeal. Following a hearing before a delegate of the Board, the Owner shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the manager, president or secretary of the Association within ten (10) days after the date of the Association's written notice to the Owner of the results of the hearing. Any hearing before the Board shall be held in the same manner as provided in Paragraph 5 for hearings before a delegate of the Board.

8. Correction of Violation. Where the Owner corrects or eliminates the Violation(s) prior to the imposition of any sanction, no further action will be taken (except for collection of any monies for which the Unit Owner may become liable under this Enforcement Policy and/or the Declaration). Written notice of correction or elimination of the Violation may be obtained from the Board upon request for such notice by the Owner and upon payment of a fee for same, the amount of which is set by the Board.

9. Corrective Action. Notwithstanding any other provision contained herein to the contrary, where a Violation is determined or deemed determined to exist, the Board may undertake to cause the Violation to be corrected, removed or otherwise abated if the Board, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where the Board decides to initiate any such action, the following will apply:

a. The Board must give the Owner and any third party that is known to the Association to be directly affected by the proposed action prior written notice of undertaking of the action.

b. Costs incurred by the Association in correcting or eliminating the Violation become the obligation of the Owner and a Special Assessment pursuant to Article X, Section 7(b) of the Declaration.

c. The Association, and its agents and contractors, will not be liable to the Owner or any third party for trespass or any damages or costs alleged to arise by virtue of action taken under this Paragraph 8.

10. Referral to Legal Counsel. Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interests of the Association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner, filing a notice of violation or non-compliance against the Unit in the real property records and/or seeking injunctive relief against the Owner to correct or otherwise abate the Violation. Attorney's fees and all costs incurred by the Association in enforcing the Declaration and administering this Enforcement Policy shall become the personal obligation of the Owner.

11. Fines. Subject to the provisions of this Enforcement Policy and/or the Governing Documents, the imposition of fines will be on the following basis:

a. In the event that the Owner has not cured the violation within thirty (30) days from the date of the Notice of Violation, has not made a timely written request for a hearing, or the Covenants Committee or Board subsequent to a hearing decides to levy a fine, then the Board of Directors may impose a fine in the amount of \$100.00 against the occupant, the Owner and the Unit. In the event that the Board of Directors imposes a fine against an occupant, Owner and a Unit, the Board or its delegate will send a formal notice of the imposition of a fine (the "Notice of Fine") to the Owner and/or occupant. The Notice of Fine will be given either by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate. Any and all fines levied shall also become a part of the Owner's assessment obligation and a lien against the Unit.

b. If the violation is still not corrected or cured within ten (10) days from the date of the Notice of Fine, then the Board may impose a second fine up to the amount of \$150.00 against the occupant, the Owner and the Unit. In the event the Board imposes a second fine, it

shall so notify the occupant and/or Owner in writing, which notice shall be given by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate.

c. In the event that the violation is not cured within ten (10) days from the date of the notice of the second fine, the Board may impose a third fine up to the amount of \$200.00 against the occupant, Owner and the Unit. The Board shall give notice to the occupant and/or Owner of the imposition of the third fine by written notice, which notice shall be given by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate.

d. In the event that the violation has not been cured within ten (10) days from the date of the notice of the third fine, then the Board may impose a per diem fine against the occupant, Owner and the Unit in any amount deemed reasonable by the Board of Directors.

e. Notwithstanding Sections a through d above, if any violation is ongoing or continues, the Board may determine to levy a fine on any periodic basis it deems reasonable, such as daily, weekly or monthly.

12. Notices. Unless otherwise provided in the Enforcement Policy, all notices required by this Enforcement Policy shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by United States Mail, first-class postage prepaid, to the Owner at the address which the Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, to the address of the Unit of the Owner.

a. Where the notice is directed by personal delivery, notice shall be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

b. Where the notice is placed into the care and custody of the United States Postal Service, notice shall be presumed to have been given, sent, delivered or received, as of the third (3rd) calendar day following the date of postmark of such notice bearing postage prepaid and the appropriate name and address as required herein unless otherwise shown by the recipient to have been received at a later date.

c. Where a day required for an action to be taken or a notice to be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday.

d. Where the Board has actual knowledge that an enforcement action would directly affect a third party (e.g. a tenant or a neighbor) or involves a Violation by a party other than the Owner, notices required under this Enforcement Policy may be given, if possible, to such third party in addition to the Owner. Notwithstanding any notice sent to a third party, the Owner remains the party responsible for compliance with the requirements of the Declaration.

The Board shall accept a response from any such third party only upon the written direction of the Owner of the Unit upon which the Violation exists.

e. Where the interests of an Owner in a Unit have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Unit has been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent.

f. Where an Owner transfers record title to a Unit at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner shall remain personally liable for all costs and fines under this Enforcement Policy. As soon as practical after receipt by the Association of a notice of a change in the record title to a Unit which is the subject of enforcement proceedings under this Enforcement Policy, the Board may begin enforcement proceedings against the new Owner in accordance with this Enforcement Policy. The new Owner shall be personally liable for all costs and fines under this Enforcement Policy which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this Enforcement Policy.

13. Cure of Violation During Enforcement. An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. Upon verification by written report to the Board and sent, where appropriate, to the Board that the Violation has been corrected or eliminated, the Violation will be deemed no longer to exist. The Owner will remain liable for all costs and fines under this Enforcement Policy, which costs and fines, if not paid upon demand therefor by Management, will be referred to the Board of Directors of the Association for collection.

14. Definitions. The definitions contained in the Declaration and Bylaws are hereby incorporated herein by reference.

15. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Enforcement Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Enforcement Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Enforcement Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Enforcement Policy conflicts with the Declaration, the Declaration controls.

IT IS FURTHER RESOLVED that this Covenant Enforcement and Fining Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on _____, 2015, and has not been modified, rescinded or revoked.

DATE: 10/21/2015


Secretary

PARWBWPF Directory (Association Transactions)\Fine\Lakes of Coppell - fining (2015).rtf

**Filed and Recorded
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Dallas County, TEXAS
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