

**LAKES OF COPPELL OWNERS ASSOCIATION, INC.**  
**AMENDED COVENANT ENFORCEMENT AND FINING POLICY**

**WHEREAS**, the Board of Directors (“Board”) of the Lakes of Coppell Owners Association, Inc.. (“Association”) is tasked with governing a master planned community in Dallas County known as Lakes of Coppell (the “Property”) pursuant to and in accordance with that certain Declaration of Covenants, Conditions and Restrictions for Lakes of Coppell, filed of record at Volume 84244, Page 5412 et seq. in the Land Records of Dallas County, Texas, as amended and supplemented from time to time (“Declaration”); and

**WHEREAS**, pursuant to Article V, Section 5.01(a) of the Declaration, the Association, acting through the Board, has the authority to enforce the provisions of the Association’s Declaration, Bylaws, rules and policies (collectively “Governing Documents”), and the power to establish and collect penalties and fines for defaults by Owners under the terms of the Governing Documents; and

**WHEREAS**, on October 26, 2015, the Board previously adopted a Covenant Enforcement and Fining Policy recorded in the Real Property Records of Dallas County, Texas on October 26, 2015, as Document No. 201500285557 to establish orderly procedures for the issuance of fines and to encourage Owners and their occupants to comply with the Association’s Governing Documents (“Policy”); and

**WHEREAS**, on August 19, 1999, the Board previously adopted an Architectural Control and Enforcement Policy, Estate Maintenance Policy, and a Parking Policy, which were recorded on June 13, 2000 at Volume 2000115, page 02344 *et. seq.* of the Real Property Records of Dallas County, Texas (“Other Policies”); and

**WHEREAS**, the Board hereby adopts this Amended Covenant and Enforcement Policy which is intended to replace and supersede the Policy only and, as to the Other Policies, the hearing procedures only violations and fines imposed in the Other Policies necessary to comply with the current requirements of the Texas Property Code (herein “Amended Policy”).

**NOW, THEREFORE, IT IS RESOLVED** that the following systems, procedures and practices are established for the levying of fines against Owners.

1. Establishment of Violation. Any condition, use or activity which does not comply with the provisions of the Association’s Governing Documents shall constitute a “Violation” under this Amended Policy for all purposes.
2. Report of Violation. The existent of a Violation will be verified by a field observation conducted by the Board or its delegate. For the purpose of this Policy, the delegate of the Board may include any one or more of the following: the Architectural Review Committee (“ARC”) or the management staff of the Association (“Management”). It is the intent of this Amended Policy that the Board will, at a minimum, delegate to Management the enforcement of certain

types of Violations of a routine nature specifically defined by the Board. A timely written report shall be prepared by the field observer for each Violation which will include the following information:

- a. Identification of the nature and description of the Violation(s) as defined by the Texas Property Code as “Curable” or “Uncurable”.
- b. Identification by street address of the Estate on which the Violation(s) exists or has occurred.
- c. Identification of the authority establishing that the condition, use or activity constitutes a Curable or Uncurable Violation as defined by the Texas Property Code.
- d. Date of the verification observation.
- e. As soon as practicable after a report is prepared concerning the Curable Violation, the Board or its delegate may, but is not obligated to forward to the Owner in question written notice via a regular first-class mail or postcard of the discovery of a Curable Violation(s) (“Courtesy Notice”). The Owner will have at least fourteen (14) days from the date the Courtesy Notice is placed in the mail to cure the noted Violation(s). The Board or its delegate may, in lieu of this Courtesy Notice, proceed immediately to the prescribed notice set forth in Paragraph 3 herein.

3. Required Notice.

- a. Notice of Violation. If the Curable Violation is not corrected or eliminated within the time period prescribed in the Courtesy Notice, or of the Board or the delegate deem it appropriate to proceed without the Courtesy Notice, the Association will forward to the Owner of the Lot in question, by first-class mail or personal delivery and by certified mail, return receipt requested, written notice that a Curable Violation(s) has occurred or exists (the “Notice of Violation”). The Notice of Violation shall not be required to be sent prior to the Association’s right to levy a fine or impose other sanctions if the Owner has previously received a Notice of Violation relating to a similar Curable Violation within six (6) months of the current Violation, for purposes of this Amended Policy, such an Owner shall be referred to as a “Repeat Offender”. The Notice of Violation shall contain, at a minimum, the following information:

- i. The nature, description and location of the Curable Violation(s), including any property damage caused by the Owner;

- ii. The authority for establishing that the condition, use or activity constitutes a Curable Violation, including the authority for recovering property damages caused by the Owner;
  - iii. The proposed sanction to be imposed, including the amount of any fine or the amount claimed to be due from the Owner for property damage;
  - iv. If the Notice of Violation concerns a Curable Violation(s) (as defined by the Texas Property Code) that is corrected or eliminated within the deadline set forth in Notice of Violation, that a fine will not be assessed and that no further action will be taken;
  - v. Only in the case of a Curable Violation, that the recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing before the Board;
  - vi. If the Curable Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or in the case where a written request for a hearing is not timely submitted on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions delineated in the Notice of Violation may be imposed and that any attorney's fees and costs will be charged to the Owner; and
4. Notice of Fine Application. A final notice of the Violation and the amount of the fine (the "Notice of Fine Application") will be sent by the Association to the Owner by regular first class mail or personal delivery, and by certified mail, return receipt requested, under any of the following situations:
- a. Where, within thirty (30) days from the date of receipt by the Owner of the Notice of Violation, either the Violation(s) has not been corrected or eliminated or the Association has not received a written request for a hearing;
  - b. In the case of an Uncurable Violation (as defined by the Texas Property Code); or
  - c. Where the Owner is a Repeat Offender and was previously notified of, and was given a reasonable opportunity to cure, a similar Curable Violation within the preceding six (6) months.
5. Request for Board Hearing.

a Except as provided by Subsection (b) and only if the Owner is entitled to an opportunity to cure the Violation(s), 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.

b. The Board will hold a timely requested hearing not later than the 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 10th day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than 10 days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting.

c The notice and hearing provisions in this Addendum to the 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. If a suit is filed relating to a matter to which Section 209.006 or 209.007 of the Texas Property Code applies, a party to the suit may file a motion to compel mediation. The notice and hearing provisions concerning a matter covered by Section 209.006 or 209.007 of the Texas Property Code do not apply to a temporary suspension of an Owner'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 Addendum.

c An Owner or the Association may use alternative dispute resolution services.

d Not later than 10 days before the Board holds a hearing pursuant to the terms of this Addendum to the 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.

e If the Association does not provide a packet within the period described by Subsection ( d), the Owner is entitled to an automatic 15-day postponement of the hearing.

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

6. Correction of Violation. Where the Owner corrects or eliminates the Curable Violation(s) prior to the imposition of any fine no further action will be taken (except for

collection of any monies for which the Owner may become liable under this Amended 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 to the Association for same, the amount of which is set by the Board or its delegate.

7. Referral to Legal Counsel. The Board or its delegate may refer any Violation to legal counsel for appropriate action at any time the Board or its delegate deems it to be in the best interests of the Association to do so. Any attorney's fees and related charges incurred by the Association in enforcing the Association's Governing Documents will be added to the fines imposed under this Policy and become an obligation of the Owner at issue.

8 Fines. The imposition of fines will be on the following basis:

- a. In the event the Owner has not resolved the Curable Violation or requested a hearing within the time period prescribed in the Notice of Violation, or for a Repeat Offender or Uncurable Violation (s), an initial fine of \$100 may be imposed against the Owner/Lot ("First Fine").
- b. In the event a Curable Violation or Repeat Offender Violation is not resolved within ten (10) days from the date the Notice of Fine Application/First Fine is mailed, the Board may impose a second fine up to \$150 against the Owner/Lot ("Second Fine").
- c. In the event a Curable Violation or Repeat Offender Violation is not resolved within ten (10) days of date the Second Fine is mailed, the Board may impose a third fine up to the amount of \$200 against the Owner/Lot ("Third Fine").
- d. In the event a Curable Violation or Repeat Offender Violation is not resolved within ten (10) days of the date the Third Fine notice is mailed, the Board may impose a per diem fine against the Owner/Lot in any amount deemed reasonable by the Board and as permitted by then current Texas law until such time that the Violation(s) is cured.
- e. Imposition of fines will be in addition to and not exclusive of any other rights and remedies of the Association as created by the Governing Documents or this Amended Policy, including the Association's right to temporarily suspend the Owner's right to use the Association's Common Area or the right to enter upon Owners property to correct any violations as permitted and in accordance with the rights of the Governing Documents or other Association policies.

- f. Fines are imposed against the Owners of a Lot at the time of the Violation at issue and become the obligation of the Owner.
- g. The imposition of fines are intended as a general guideline while preserving the Board's discretion to levy a different fine amount referenced in the Other Policies and/or on a case by case basis and the levy of fines supplement any other legal or contractual rights retained by the Association in the Governing Documents for Violation(s), including self-help.

9. Notices.

Any notice required by this Amended Policy to be given, sent, delivered or received in writing will, for all purposes, be deemed to have been given, sent, delivered or received, as the case may be, upon the earlier to occur of the following:

- i. Where the notice is directed by personal delivery, upon actual receipt by any person accepting delivery thereof at the address of the recipient as set for in such notice; or
- ii. Where the notice is placed in the care and custody of the United States Postal Service, as of the third (3rd) calendar day following the date of postmark of such notice bearing postage prepaid and the most recent address of the recipient according to the records of the sending party.

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 nor United States Postal Service holiday.

Where the interests of an Owner 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 is being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such representative or agent.

10. Cure of Violation During Enforcement. An Owner or occupant may correct or eliminate a Curable Violation at any time during the pendency of any procedure prescribed by this Policy. Upon verification that the Curable Violation has been corrected or eliminated, the Curable Violation will be deemed no longer to exist. The

Owner will remain liable for all costs and fines under this Amended Policy, which costs and fines, if not paid upon demand, will be referred to the Association for collection.

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

11. Definitions. The definitions contained in the Declaration are hereby incorporated herein by reference for all purposes.

IT IS FURTHER RESOLVED that this Amended Policy replaces and supersedes in all respects all prior resolutions relating to the enforcement and/or levying of fines for violations of the Governing Documents to the extent inconsistent with this Amended Policy, and 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 1/17/2024, and has not been modified, rescinded or revoked.

DATE:

2/21/2024

Signature

M. Anderson

Printed Name/Title

Mary Lynn Anderson-Hinn / Pres