

SADDLEBROOK HOMEOWNERS ASSOCIATION, INC.
ENFORCEMENT POLICY AND FINING SCHEDULE

(Pursuant to Section 209.0061 of the Texas Property Code Compliant)

WHEREAS, Saddlebrook Homeowners Association, Inc. (the “Association”) is empowered and authorized to enforce the Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Saddlebrook recorded as Document Number _____ and any supplements and amendments thereto (collectively, the “Declaration”), the Bylaws, and the Association’s policies (collectively referred to herein as the “Restrictions”); and

WHEREAS, in order to comply with Sections 209.006, 209.0061, and 209.007 of the Texas Property Code the Association has adopted this Enforcement Policy and Fining Schedule for the enforcement of the Restriction and for the levying of fines.

NOW, THEREFORE, the Association adopts the following procedures and practices to be referred to herein as the Association’s “Enforcement Policy.”

I.
GENERALLY

The procedures and practices contained in this Enforcement Policy serve as a general outline of the procedures and best practices for the Association to follow for enforcement of the Restrictions. Notwithstanding anything herein, (i) this Enforcement Policy and the procedures and practices herein as well as the fine schedule attached hereto do not apply to the Declarant or to any Lots owned by Declarant, (ii) this Enforcement Policy does not apply to the collection of Regular Assessments or Special Assessments and related expenses and charges related thereto as authorized in the Declaration, (iii) the Association is not required to follow the exact procedures and policies in every enforcement matter unless required to do by Chapter 209 of the Texas Property Code, (iii) the procedures in this Enforcement Policy are not intended to constitute a prerequisite or condition precedent to the Association pursuing a remedy to enforce the Restrictions against any violation or to obtain any legal relief or remedy except as required by Chapter 209 of the Texas Property Code, and (iv) this Enforcement Policy and the procedure and polices 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 to recover unpaid Regular Assessments and/or Special Assessments, is pursuing judicial or nonjudicial foreclosure, is pursuing a self-help remedy, in the event the Association temporarily suspends an Owner’s right to use the Common Properties based upon a violation that occurred on the Common Properties and involved a significant and immediate risk of harm to another Member, and/or a counterclaim of the Association in a lawsuit brought against the Association by a Member.

Capitalized words and terms in this Enforcement Policy not defined herein shall have the same meaning as in the Declaration.

II. **VIOLATION**

A “Violation” under this Policy shall mean any condition, conduct, use, activity, Structure, or improvement, whether through action, lack of action, and/or omission, which does not comply with the Restrictions. A Violation is considered a threat to public health or safety if the Violation could materially affect the physical health or safety of an ordinary Owner. A Violation is considered uncurable if the Violation has occurred but is not a continuous action or condition capable of being remedied by affirmative action. The following are statutory examples of acts considered uncurable and curable:

Uncurable:

- (1) shooting fireworks;
- (2) an act constituting a threat to health or safety;
- (3) a noise violation that is not ongoing;
- (4) property damage, including the removal or alteration of landscape; and
- (5) holding a garage sale or other event prohibited by the Restrictions.

Curable:

- (1) a parking violation;
- (2) a maintenance violation;
- (3) the failure to construct improvements or modifications in accordance with approved plans and specifications; and
- (4) an ongoing noise violation such as a barking dog.

The foregoing are merely examples of curable and uncurable Violations and are not meant to constitute complete or comprehensive lists. The non-repetition of a one-time Violation or other Violation(s) that is not ongoing is not considered an adequate remedy to the Association with respect to the enforcement of such Violation.

III. **NOTICE OF VIOLATION**

If the Violation(s) is or are not corrected or eliminated within the time period specified in a courtesy notice, if provided, or if the Board or its management company decides not to send a courtesy notice, the Association will send the Owner of the Lot in question a written notice of the Violation(s) by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier to the Owner’s last known address as shown on the Association’s records as well as to any other address the Owner has used or provided to the Association or for which the Association believes to be connected to the Owner (the “Notice of Violation”) as provided herein. If the Owner has not previously been given a Notice of Violation for a similar Violation within six (6) months, the Association may suspend an Owner’s right to use the Common Properties, file a suit against an Owner (other than a suit to collect a Regular Assessment or Special Assessment, or foreclose under the Association’s lien, charge an Owner for property damage, levy a fine for a violation of the Restrictions, or report any

delinquency of an Owner to a credit reporting service, the Association or its management company must give written notice to the owner by certified mail. The notice must:

- (1) describe the Violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner and state that the Owner;
 - (A) is entitled to a reasonable period to cure the Violation and avoid the fine or suspension if the violation is of a curable nature and does not pose a threat to public health or safety;
 - (B) may request a hearing under Section 209.007 of the Texas Property Code on or before the 30th day after the date the notice was mailed to the Owner; and
 - (C) 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;
- (3) specify the date by which the Owner must cure the violation if the violation is of a curable nature and does not pose a threat to public health or safety;
- (4) be sent by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier to the Owner at the Owner's last known address as shown on the Association records; and
- (5) specify a reasonable time period and date to cure the Violation if the Violation is of a curable nature and does not pose a threat to public health or safety.

If the Owner cures the Violation before the expiration of the period for cure described in the Notice of Violation, a fine may not be assessed for the Violation.

Notwithstanding anything herein, a Notice of Violation is not required if the alleged violator received a Notice of Violation relating to a similar Violation within six (6) months of the current Violation and was given a reasonable opportunity to cure the prior Violation, in which case the Board may impose fines as authorized by the Restrictions and/or this Enforcement Policy without notice to the Owner other than a notice of fine. A Notice of Violation is also not required if Chapter 209 of the Texas Property Code does not require it.

An Owner's conduct may violate more than one (1) provision of the Association's governing documents in which case the Association may levy a fine for each category of Violation.

Additionally, upon discovery of a Violation, the Board or Officer of the Association, or its management company, may, prior to sending the Notice of Violation, forward to the Owner of the Lot in question written notice via regular first-class mail or email of the discovery of a Violation(s) as a courtesy giving the Owner a deadline for correction or cure of the Violation(s); provided, however, the Association is not required to do so.

IV. OWNER'S RIGHT TO REQUEST A HEARING

If the Owner is entitled to an opportunity to cure the 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. However, Owners do not have a right to request a hearing if (i) the Owner is not entitled to an opportunity to cure the violation, (ii) 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, or (iii) the Association temporarily suspends a person's right to use the Common Properties if the temporary suspension is the result of a Violation that occurred in a Common Properties and involved a significant and immediate risk of harm to others in the subdivision. If the Owner is entitled to a hearing and the Owner timely requests such hearing, the Association will hold the hearing not later than the 30th day after the date the Board receives the Owner's written 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 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. The Owner or the Association may make an audio recording of the meeting. Not later than ten (10) days before the Association holds a hearing, 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. If the Association does not provide a packet within the ten (10) day period, the Owner is entitled to an automatic fifteen (15) day postponement of the hearing. During the hearing, a Board member or the Association's designated representative, such as the Association's management company or attorney, 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.

V. 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 Lot in the real property records, seeking injunctive relief against the Owner to correct or otherwise abate the Violation, and/or filing suit to collect fines and/or costs incurred to cure Violations or repair property damage. Attorneys' fees and all costs incurred by the Association in enforcing the Restrictions and administering this Enforcement Policy shall become the personal obligation of the Owner and shall be a lien upon the Owner's Lot.

VI. CATEGORIES OF VIOLATIONS AND SCHEDULE OF FINES

The Board of Directors has established a list of the general categories of restrictive covenants for which the Association may assess fines for violation of the Restrictions and the schedule of fines for each such category. These categories and schedules are attached hereto as **Exhibit A**. Notwithstanding anything herein, the Board reserves the right to vary the fine amount on a case-by-case basis as permitted by Section 209.0061 of the Texas Property Code depending on the nature and severity of any Violation and the Owner's particular situation.

EXHIBIT A

SCHEDULE OF FINES

Subject to the provisions of this Enforcement Policy and/or the Restrictions, the general categories of Violations and the schedule of fines for those Violations shall be as follows:

Category of Violation	Initial Fine	Fine Escalation
Failure to maintain lawn and landscaping in accordance with Article IX, Section 8, Paragraph 2, and Section 11, Paragraphs 1 and 2	\$100/month	Fine doubles every 30 days
Failure to use the required Landscaping and Irrigation System in accordance with Article IX, Section 10, Paragraph 1	\$100/month	Fine doubles every 30 days
Failure to comply with Article IX, Section 7, Paragraph 2	\$100/month	Fine doubles every 30 days
Failure to comply with Article IX, Section 9, Paragraph 1	\$100/month	Fine doubles every 30 days
Failure to comply with Article IX, Section 14, Paragraph 1	\$1,000/month	Fine doubles every 30 days
All other violations of the governing documents	\$50/month	Fine doubles every 30 days