

STATE OF TEXAS
COUNTY OF TRAVIS

Rules and Regulations:
Cambridge Heights Owners Association, Inc.

The Declaration of Covenants, Conditions and Restrictions for **Cambridge Heights Owners Association, Inc.** ("Association") was recorded in Vol. 13390 Page 71 of the Official Public Records of Travis County Texas, (together with all subsequent amendments, the "Declaration") and gives the board of directors of the Association the power to adopt rules governing the property described in the Declaration. The Board has adopted the following rules:

Section 1. **Suspension of Privileges/Fines.** In the event of a violation of the Declaration, Bylaws, or any rules and regulations of the Association, the Board of Directors, acting on behalf of the Association, in addition to any other remedies provided by the Declaration, Bylaws, or rules and regulations and remedies available pursuant to State statute or other law, may:

- (1) suspend or condition the right of an Owner and any tenants, occupants, or guests to use of facilities (including all or part of any common areas) owned, operated, or managed by the Association;
- (2) suspend an Owner's voting privileges in the Association as a Owner;
- (3) record a notice of non-compliance encumbering the Lot;
- (4) levy a damage assessment against a Lot for damages caused by Owners' actions in violation of the Declaration, Bylaws, or Rules;
- (5) as further provided in Declaration section 3.15, levy late fees, collection costs and/or deed restriction enforcement costs (including attorneys fees) against a Lot;
- (6) as further provided in Declaration Section 3.15, assess a fine against the Lot Owner and Lot for the violation of Owner, his tenants, occupants, or guests in an amount to be determined by the Board of Directors. Each day of the violation may be considered a separate violation; and
- (7) as further provided in Declaration Section 6.04, enter onto an owner's lot without liability for trespassing and cure any violation of the governing documents and charge the costs of cure to the owner and Lot..

The Association must comply with any notice requirements of state law. Owners are responsible for all violations of their occupants, tenants, guests, agents and invitees.

Any amounts charged to an Owner under these procedures may be collected in the same manner as regular assessments under the Declaration, including lien and foreclosure rights to the extent permitted by law.

It is the owners' responsibility to notify the association, in writing, when a violation has been cured so as to stop any fines from being assessed. Fines may continue to be assessed until the association receives this notice from the owner.

The standard fining schedule will be as follows:

First violation – courtesy warning letter

Second violation – statutory warning letter (sent certified mail, return receipt requested)

Third violation (failure to remedy in response to previous notices) - \$25 fine

Fourth violation (failure to remedy in response to previous notices)- \$50 fine

Fifth violation (failure to remedy in response to previous notices)- \$75 fine

Sixth and thereafter violations (failure to remedy in response to previous notices)- \$100 fine

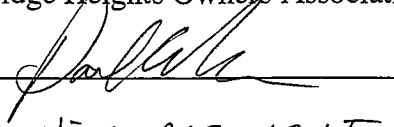
This above schedule is a fining guideline only. The board may in its sole discretion depart from this procedure, including increasing or reducing the standard fines, and issuing fines sooner or later than the guideline contemplates. The levying of fines does not preclude the association from taking additional enforcement remedies. The above-listed fines are "per violation"; and each day of a violation may be considered a separate violation. During any six-month period following the mailing of a "second violation letter" or equivalent statutory warning letter, fines for any violation may continue to be assessed on an increasing basis if the violation is not cured.

Section 2. **Non Waiver.** The failure of the Association to enforce any provisions of the Declaration, Bylaws, rules, or procedures shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declaration, Bylaws, and rules are cumulative and not exclusive.

Section 3. **Payments.** The Association in its discretion and without notice to the Owner may apply amounts received from Owners to non-assessment items or other amounts due and owing the association regardless of Owners' notations on checks or otherwise. The Association may at any time without notice require payments to be made in cash or certified funds.

Section 4. **Board decision to pursue enforcement action.** The decision to pursue enforcement action in any particular case shall be left to the board's discretion, except that the board shall not be arbitrary or capricious in taking enforcement action. For example, the board may determine that, in a particular case, (i) the association's position is not strong enough to justify taking any or further action; (ii) the covenant or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (v) it is not in the association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Cambridge Heights Owners Association, Inc.

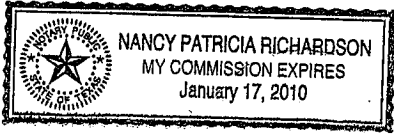
By: 

Title: VICE PRESIDENT

Printed name: Paul Noren

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on October 6, 2009 by Paul Noren.



Nancy Patricia Richardson
Notary Public for the State of Texas
Printed name of notary Nancy Patricia Richardson
My commission expires January 17, 2010

After recording, please return to:
Niemann & Niemann, L.L.P.
1122 Colorado St., Suite 313
Austin, Texas 78701

Fileserver: CLIENTS: CambridgeHeights: Rules&RegsRev9-09.doc