

GOVERNING DOCUMENTS ENFORCEMENT AND FINE POLICY
for
CANYON LAKE HILLS PROPERTY OWNERS ASSOCIATION

THE STATE OF TEXAS §
 §
COUNTY OF COMAL §

I, Michael K. Mulken Secretary of Canyon Lake Hills Property Owners Association (the "Association"), certify that, at a meeting of the Board of Directors of the Association duly called and held on the 5th day of December, 2017, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Governing Documents Enforcement and Fine Policy (this "Policy") was approved by not less than a majority of the Board members in attendance.

RECITALS:

1. Section 202.004 of the Texas Property Code grants the Association the power and authority to enforce all covenants, conditions and restrictions set forth in the Declaration.
2. Section 209.006 of the Texas Property Code sets forth notice requirements prior to the commencement of enforcement action, including the imposition of fines.
3. The Board of Directors desires to adopt a policy relating to the enforcement of the Declaration and the other governing documents of the Association consistent with Section 209.006 of the Texas Property Code and applicable provisions in the Declaration.

WITNESSETH:

It is the policy of the Association to enforce its Governing Documents (as defined herein) as provided below.

Section 1. Definitions.

Capitalized terms used in this Policy have the following meanings:

- 1.1. **Articles of Incorporation** - The Articles of Incorporation for Canyon Lake Hills Property Owners Association filed in the Office of the Secretary of State of Texas on July 22, 1982, as hereinafter amended.
- 1.2. **Board or Board of Directors** - The Board of Directors of the Association.
- 1.3. **Bylaws** - The Amended and Restated Bylaws of Canyon Lake Hills Property Owners Association recorded in the Official Public Records of Real

Property of Comal County, Texas on November 13, 2017 under Clerk's File No. 201706049946.

1.4. Declaration - means the following:

a. Documents:

- (1) Canyon Lake Hills Unit 1.
- (2) Canyon Lake Hills Unit 2.
- (3) Canyon Lake Hills Unit 3.
- (4) Canyon Lake Hills Unit 4.
- (5) Canyon Lake Hills Unit 5.
- (6) Canyon Lake Hills Unit 6.

b. Recording Information:

- (1) Volume 169, Pages 90-91 in the Official Public Records of Real Property of Comal County, Texas.
- (2) Volume 171, Pages 192-193 in the Official Public Records of Real Property of Comal County, Texas.
- (3) Volume 169, Pages 625-626 in the Official Public Records of Real Property of Comal County, Texas.
- (4) Volume 171, Pages 1-2 in the Official Public Records of Real Property of Comal County, Texas.
- (5) Volume 169, Pages 758-759 in the Official Public Records of Real Property of Comal County, Texas.
- (6) Volume 169, Page 288 in the Official Public Records of Real Property of Comal County, Texas.

and any subsequent amendments and supplements thereof.

1.5. Governing Documents - The Declaration, the Articles of Incorporation and Bylaws of the Association, all guidelines and policies applicable to the Subdivision, and the rules and regulations of the Association adopted by the Board and recorded in the Official Public Records of Real Property of Comal County, Texas.

1.6. Subdivision - means the following:

1.6.1 Canyon Lake Hills Unit 1, a subdivision in Comal County, Texas according to the map or plat thereof recorded in Volume 2, Page 17, of the Map Records of Comal County, Texas and all amendments to or replats of said maps or plats, if any.

1.6.2 Canyon Lake Hills Unit 2, a subdivision in Comal County, Texas according to the map or plat thereof recorded in Volume 2, Page 189, of the Map Records of Comal County, Texas and all

amendments to or replats of said maps or plats, if any.

- 1.6.3 Canyon Lake Hills Unit 3, a subdivision in Comal County, Texas according to the map or plat thereof recorded in Volume 2, Page 19, of the Map Records of Comal County, Texas and all amendments to or replats of said maps or plats, if any.
- 1.6.4 Canyon Lake Hills Unit 4, a subdivision in Comal County, Texas according to the map or plat thereof recorded in Volume 2, Page 37, of the Map Records of Comal County, Texas and all amendments to or replats of said maps or plats, if any.
- 1.6.5 Canyon Lake Hills Unit 5, a subdivision in Comal County, Texas according to the map or plat thereof recorded in Volume 2, Page 38, of the Map Records of Comal County, Texas and all amendments to or replats of said maps or plats, if any.
- 1.6.6 Canyon Lake Hills Unit 6, a subdivision in Comal County, Texas according to the map or plat thereof recorded in Volume 2, Page 39, of the Map Records of Comal County, Texas and all amendments to or replats of said maps or plats, if any.

Other capitalized terms used in this Policy, but not defined herein, have the same meanings as that ascribed to them in the Declaration.

Section 2. Types of Violations. Section 209.006 of the Texas Property Code refers to curable violations, uncurable violations, and violations which are considered a threat to public health or safety. The types of violations are addressed below.

2.1. **Curable Violations** - By way of example and not in limitation, the Texas Property Code lists the following as examples of curable violations:

- a. a parking violation;
- b. a maintenance violation;
- c. the failure to construct improvements or modifications in accordance with approved plans and specifications; and
- d. an ongoing noise violation such as a barking dog.

2.2. **Uncurable Violation** - A violation that has occurred but is not a continuous action or a condition capable of being remedied by affirmative action. By way of example and not in limitation, the Texas Property Code lists the following as examples of uncurable violations:

- a. an act constituting a threat to health or safety;
- b. discharging fireworks;
- c. a noise violation that is not ongoing; and

- d. holding a garage sale or other event prohibited by the Governing Documents.

2.3. **Violation that is a Threat to Public Health or Safety** – Per the Texas Property Code, a violation that could materially affect the physical health or safety of an ordinary resident.

As provided in this Policy, there are two (2) enforcement procedures to be followed depending upon whether the violation is curable and does not pose a threat to public health or safety or whether the violation is uncurable and/or poses a threat to public health or safety. If there is reasonable uncertainty as to whether a violation is curable or uncurable or a threat to public health or safety, the Board has the authority to make the determination and, therefore, to decide which enforcement procedure will be followed. Provided that, this Policy will not be construed to impose an obligation on the Board to pursue enforcement action with respect to a violation or alleged violation if the Board, in its reasonable good faith judgment, decides that enforcement action is not warranted or necessary.

Section 3. Enforcement – Curable Violations That Do Not Pose a Threat to Public Health or Safety. If a violation is curable and does not pose a threat to public health or safety, the Owner will be given a reasonable period to cure the violation, as provided below. The time period given to an Owner may vary depending upon the violation and the difficulty involved or the effort required to cure the violation. The Board of Directors may, but is not obligated to, consider any special circumstance relating to the violation and the cost to cure the violation. The enforcement procedure for this type of violation is as follows:

3.1. **Courtesy Letter (Optional)** – Upon verification 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.

3.2. **Violation Letter (Optional)** – After the expiration of the time set forth in the courtesy letter, if a courtesy letter is sent, or as the initial notice, a violation letter may be sent to the Owner. Depending on the severity of the violation and/or the history of prior violations on the Owner's Lot, the violation letter may be the first letter sent to the Owner. The Association is not required to send a violation letter. If sent, the violation letter will include:

- a. a description of the violation;
- b. the action required to correct the violation;
- c. the time by which the violation must be corrected; and
- d. notice that if the violation is not corrected within the time provided or if there is a subsequent violation of the same restriction, a fine may be imposed or other enforcement action may be initiated.

3.3. **Demand Letter** – Either upon initial verification of a violation, or after the expiration of the time period stated in the courtesy letter and/or violation letter, if sent,

a demand letter may be sent to the Owner. The demand letter must be sent by certified mail or by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier. The demand letter must be sent to the Owner's last known address as shown in the records of the Association, as well as by any other method that the Board determines will cause the demand letter to be received by the Owner. Depending on the severity of the violation and/or the history of prior violations on the Owner's Lot, the demand letter may be the first letter sent (rather than a courtesy letter and/or a violation letter), as determined by the Board in its sole discretion.

3.4. Content of the Demand Letter - The demand letter will include the following:

- a. a description of the violation that is the basis for the enforcement action, suspension action, charge, or fine and any amount due the Association;
- b. notice that the Owner is entitled to a reasonable period to cure the violation and avoid the enforcement action, suspension, charge or fine;
- c. a specific date, which must be a reasonable period given the nature of the violation, by which the Owner must cure the violation. If the Owner cures the violation before the date specified, a fine may not be assessed for the violation;
- d. a notice that the Owner may request a hearing before the Board of Directors, such request to be made in writing on or before the thirtieth (30th) day after the date the notice was mailed to the Owner; and
- e. notice 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.

3.5. Hearing Requested - If a hearing is properly requested by the Owner, the hearing will be held not later than the thirtieth (30th) day after the date the Association receives the Owner's written request for a hearing. Notification of the date, time and place of the hearing will be sent not later than the tenth (10th) day before the hearing. If a postponement of the hearing is requested by either the Association or the Owner, a postponement must be granted for a period of not more than ten (10) days. Any additional postponement may be granted by agreement of the parties.

3.6. Hearing Not Requested - If a hearing is not properly requested by the Owner, the violation must be cured within the time frame set forth in the demand letter. Fines, suspension of the right to use the common area, 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.

3.7. Remedies - The Owner is liable for, and the Association may collect reimbursement of, reasonable attorney's fees and other reasonable 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. Additionally, the Association may, but is not obligated to, exercise any self help remedies set forth in the Declaration. Further, the right to use the common area may be suspended.

In addition to charging fines, as provided in Section 6, below, the Association reserves the right under the Governing Documents and under Texas law to file a suit for the recovery of damages and/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.

Section 4. Enforcement - Uncurable Violations and/or Violations that Pose a Threat to Public Health or Safety. Upon initial verification of an uncurable violation and/or threat to public health or safety, a demand letter may be sent to the Owner. The demand letter must be sent by certified mail or by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier. The demand letter must be sent to the Owner's last known address as shown in the Association's records, as well as by any other method that the Board determines will cause the demand letter to be received by the Owner.

4.1. **Content of the Demand Letter** - The demand letter will include the following:

- a. a description of the violation that is the basis for the enforcement action, suspension action, charge, or fine and any amount due the Association;
- b. notice that the Owner may request a hearing before the Board of Directors, such request to be made in writing on or before the thirtieth (30th) day after the date the notice was mailed to the Owner; and
- c. notice that 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.

4.2. **Hearing Requested** - If a hearing is properly requested by the Owner, the hearing must be held not later than the thirtieth (30th) day after the date the Association receives the Owner's written request for a hearing. Notification of the date, time and place of the hearing will be sent not later than the tenth (10th) day before the hearing. If a postponement of the hearing is requested by either the Association or the Owner, a postponement must be granted for a period of not more than ten (10) days. Any additional postponement may be granted by agreement of the parties.

4.3. **Remedies** - Regardless of whether the Owner requests a hearing, fines, suspension of the right to use the common area, and other remedies available to the Association may be implemented after mailing the demand letter. The Owner is liable for, and the Association may collect reimbursement of, reasonable attorneys' fees and other reasonable costs incurred by the Association. Additionally, the Association may,

but is not obligated to, exercise any self help remedies set forth in the Declaration. Further, the right to use the common area may be suspended.

In addition to charging fines, the Association reserves the right under the Governing Documents and under Texas law, to file a suit for the recovery of damages and/or injunctive relief.

A notice of violation may also be recorded in the real property records should the violation not be cured within the specified time frame.

Section 5. Subsequent Violation. If an Owner has been given notice in accordance with Section 3 or Section 4 of this Policy in the preceding six (6) month period, notice is not required for the recurrence of the same or a similar violation. The Association may impose fines and/or suspend the Owner's right to use the common area without first sending another demand for compliance.

Section 6. Fines. Subject to the notice provisions set forth in Section 3 or Section 4 of this Policy, as applicable, the Association may impose monetary fines pursuant to the Bylaws against an Owner as a result of a violation. A schedule of fines is below and incorporated herein by reference. Any fines imposed against an Owner will be the personal obligation of the Owner. The Board of Directors of the Association may adopt and modify from time to time a schedule of fines for various types of violations.

No.	Description of Violation	Amount
1.	Failure to use lot solely for residential purposes	\$100 per day
2.	Business use of Business Lot without prior approval of the Association	\$100 per day
3.	Construction of improvement without a presently existing or simultaneously constructed single family residence on a lot	\$50 per day
4.	Construction of improvement without Association issued permit	\$50 per day
5.	Cutting down tree without Association issued permit	
	a.) 0" - 12" Caliper Tree	\$250 per tree
	b.) 12.1" - 24" Caliper Tree	\$500 per tree
	c.) 24.1" - 36" Caliper Tree	\$750 per tree
	d.) Greater than 36" Caliper Tree	\$1,000 per tree
6.	Failure to seal oak tree within thirty (30) minutes of pruning	\$500 per occurrence

No.	Description of Violation	Amount
7.	Pruning oak tree between February 1 and June 30 without Association approval	\$500 per occurrence
8.	Using a lot as a dumping ground, junk yard or auto storage yard	\$100 per day
9.	Occupying improvement without approval of utilities and septic from the Association and Comal County Environmental Health Department	\$100 per day
10.	Any and all other violations of the Governing Documents	\$25 per day

I hereby certify that I am the duly elected and acting Secretary of the Association and that this Policy was approved by a majority vote of the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Comal County, Texas.

TO CERTIFY which witness my hand this 6th day of December, 2017.

CANYON LAKE HILLS PROPERTY
OWNERS ASSOCIATION

By: Michael K. Mullen

Print Name: Michael K. Mullen

Its: Secretary

THE STATE OF TEXAS §
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COUNTY OF Comal §

BEFORE ME, the undersigned notary public, on this 6th day of December, 2017 personally appeared Michael Mullen, Secretary of Canyon Lake Hills Property Owners Association known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and in the capacity therein expressed.

Melba J. Cunningham
Notary Public - State of Texas
Melba J. Cunningham

