

Lake Hollyhill Owners Association (“LHOA”) Policy for Enforcement of Deed Restrictions and Covenants

Pursuant to the Purpose set out in the *Bylaws of Lake Hollyhill Owners Association* (“Bylaws”), Article II (d), “to encourage and enforce the restrictive regulations and covenants of said subdivision conducive of good planning and a sustaining of property values therein”, this document sets forth the policies and procedures adopted by the LHOA Board of Directors to be followed in enforcing compliance with the *Restrictions for Lake Hollyhill Acres Subdivision* (“Covenants”). This policy outlines procedures intended to be in accord with Texas Property Code Sec. 209.006 and Sec. 209.007, and replaces in totality the procedures from the 2009 LHOA Deed Restriction Enforcement Policy.

Authority of the LHOA Board of Directors

The Board of Directors has the authority and responsibility under Article VII of the Bylaws to determine and implement policy in the name of LHOA. In particular, according to the Covenants, “These covenants may be enforced by the developer, its successor and assigns, or by any property owner in the subdivision”. LHOA is the “successor and assign” of the developer and is furthermore made up entirely of property owners and thus has the right to enforce the Covenants “by appropriate action at law or in equity.” It is for this purpose that the Board hereby voluntarily adopts and publishes the policies in this document for the benefit of the Owner/Members. The Board reserves the right to alter these policies without notice should an amendment be required by overriding State or County law, but otherwise pledges to make reasonable efforts to alert Members to any proposed changes prior to their adoption. THE ACTION OR INACTION OF THE BOARD IN NO WAY USURPS OR CONTRAVENES THE RIGHTS OF INDIVIDUAL MEMBERS TO ENFORCE THE COVENANTS AND RESTRICTIONS THROUGH ANY OTHER MEANS POSSIBLE INCLUDING LAW ENFORCEMENT OR COURT ACTION.

Member Responsibility

All landowners of Lake Hollyhill Acres Subdivision are Members of LHOA by virtue of the aforementioned Covenants filed in Grimes County in 1966, with automatic extensions to the present. Members are responsible for knowing and complying with the Covenants, Bylaws, and LHOA Rules governing the use of our common recreational areas (“Lake Rules”), as well as applicable County and State ordinances, and for ensuring that tenants and guests likewise comply. This includes payment of annual assessments as described in the Bylaws and set out in this policy. Any fees, including reimbursements of postage, legal and other charges accrued by LHOA during an enforcement proceeding are the responsibility of the landowner as determined from the Grimes County Appraisal District records. MEMBERS/OWNERS ARE RESPONSIBLE FOR MAINTAINING A PROPER POSTAL ADDRESS FOR THE PURPOSE OF DOING BUSINESS WITH AND COMMUNICATING WITH THE BOARD OF DIRECTORS.

Summary of Violations

The following is a list of Covenant violations that may result in disciplinary action.

1. Failure to Pay the Annual Maintenance Fee (Bylaws, Article XII, Section 2).
2. Violation of Land Use restriction (Section C-1): Use of land for predominantly other than residential purposes.
3. Violation of minimum Dwelling Size restriction (Section C-2): Dwelling less than 600 square feet or not in conformity with “modern architectural design”.

4. Violation of Building Locations restrictions (Sections C-3, C-4, C-5): Improper setback from front lot line or side lines. Blocking access to utilities and drainage easements. *To avoid issues with Sections C-1 through C-5, the Board will, upon request, provide a free-of-charge site plan evaluation and approval prior to building.*
5. Violation of Temporary Structures restriction (Section C-7): Use of a temporary structure, trailer, or shed as permanent residence.
6. Violation of Livestock restriction (Section C-8): Keeping swine, or keeping more than 1 livestock animal per half acre of lot size.
7. Violation of Garbage Disposal restriction (Section C-9): Use of a lot as a dumping ground or burn site for household/construction/industrial trash.
8. Violation of Septic restriction (Section C-10): Failure to install and maintain septic systems in accordance with county regulations.
9. Violation of Nuisance restriction (Section C-6): Continual use of a lot for “noxious or offensive” activity; use of a lot that has become an “annoyance or nuisance” to others in the neighborhood over time. Examples include but are not limited to: failure to secure property against criminal behavior or squatting, unsafe parking that impedes the flow of traffic, unsafe discharge of firearms, excessive noise or bright lights at night, unsafe burning, invasion of neighbors’ privacy, failure to control pets/livestock, failure to control noxious/invasive weeds or pests.
10. Violation of the LHOA Lake Rules against overnight camping etc.

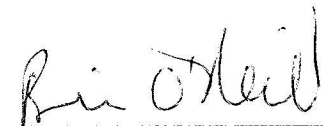
Enforcement

1. Non-payment of Annual Assessment. Failure to pay the annual assessment will be dealt with in accordance with the Bylaws Article XII, Section 3. In brief, Annual Notices of Assessment are sent out prior to January 1 of each year and dues are declared delinquent if not paid by May 1. Failure to pay incurs an automatic loss of good standing. Delinquent dues accrue a 10% per annum late fee so long as they remain unpaid. Once delinquent accounts are sufficiently high, the Board may take further action, such as securing a lien on the property. Since there is already a late fee, further fines will not be applied, however, the noncompliant Member will be assessed for reimbursement of any enforcement costs accrued by the LHOA (see 8 below).
2. Complaints/Warning/Investigation. Should complaints arise from one member against another regarding a violation of the Deed Restrictions, a warning letter will be sent out. This will inform the alleged violator of the existence of complaints against him or her without divulging the identities of the complainant. The specific allegations will be detailed, including specifically the provision that supposedly has been violated. This letter will be followed up by an investigation by the Board of Directors into the alleged violations, including a gathering of facts, photos, and potential canvassing of nearby homeowners, to assess the situation. The alleged violator will be given 21 days to respond to the allegations or otherwise clear up the issue.
3. Notice of Violation. Once the Board has determined that a violation has occurred or is ongoing, the violator will be notified in writing via registered postal mail to the address on record a minimum of 30 days prior to levying of fines, suspension of any rights or privileges or any other enforcement action by the Board. For the case of non-payment of dues, the Annual Notice can double as a Notice of Violation and a hearing (see below) is not required. In all other cases, the notification will:
 - a) Include this document;
 - b) Identify the Governing Document and provision that has been violated;
 - c) Describe the nature of the violation;

- d) Describe the remedy or corrective action that should be taken by the Member;
 - e) Describe the possible enforcement actions that may be taken by the Board;
 - f) Inform the Member of his/her right to be heard by the Board (if applicable) before action is taken.
4. Appeal Hearing. After receiving a Notice of Violation, Members are entitled to a hearing by the Board. The hearing must be requested in writing within 30 days of reception of the Notice of Violation and will be scheduled at the Board's convenience. After 30 days, the right to a hearing will be deemed waived. The Member is entitled to attend in person, appoint a representative, or may submit written testimony. Any other interested Members may submit relevant testimony in person or in writing for the consideration of the Board whether for or against the violation. Board members are entitled to question all witnesses prior to making a decision. The Member in all cases has the right to access all documents, photographs, and communications regarding the matter at least 10 days prior to the hearing, and is entitled to make the final statement at the hearing. All such hearings will be recorded. Following the hearing, or after 30 days has passed if a hearing has been waived, the Board will decide whether or not a violation has been committed by a simple majority vote. Any Board member may request the use of a hidden ballot. The decision of the Board is final.
 5. Disciplinary Action. Following a Board finding that a violation has occurred, the Board may vote to impose such penalties as may be deemed necessary to end the violation, including loss of good standing, suspension of the right to access shared resources such as the lake, conduct enforced maintenance, reporting a delinquency to a credit agency, or legal action. The Board shall notify the noncompliant Member of its decision and the penalties imposed within 10 days of the vote.
 6. Continuation of Violation. The Board may impose additional disciplinary action for each 30 days of failure to remedy the violation, and without the need for further notice or hearings.
 7. Reimbursement Assessment. The noncompliant Member is responsible for reimbursement of the LHOA for any costs incurred due to their violation, including postage, filing and legal fees, and recovery of the costs of corrective action. These assessments may be billed separately or added onto the annual assessment invoice.
 8. Liens. At the discretion of the Board, the LHOA may secure recovery of any assessments, fines and fees, including delinquent annual assessments, along with the costs of enforcement, by recording a lien against the property.
 9. Other Remedies; Legal Action. The LHOA reserves the right to avail itself of any other remedy permitted by law to enforce the provisions of the Governing Documents. This may include engaging law enforcement, reporting violations to local or state agencies including credit agencies, seeking outside arbitration or mediation, or bringing action in court. Legal action may be used at any time to compel payment of delinquent assessments, fines, and fees, including delinquent annual assessments, or to generally enforce the Covenants should such action prove necessary. Such remedies may be taken in addition to or in lieu of any enforcement action already taken, and commencement of one remedy does not prevent the LHOA from pursuing another remedy at a later date.

10. Record Retention. Unless litigation or legal proceeding is threatened or pending, files will be kept for three (3) years from the date of resolution of the last violation. Files will be destroyed after said three year period or after sale of the property to a new owner.
11. Duty of Enforcement. Failure by the LHOA to enforce any provision of the governing documents shall in no event be deemed a waiver of the right to do so thereafter.

Adopted the 8th of September by affirmative vote of the majority of the Board of Directors.



Brian O'Neill, President
Lake Hollyhill Owners Assoc.

Attest: 