

FINE POLICY FOR DEER TRAIL PROERTY OWNERS ASSOCIATION

WHEREAS, the property affected by this Fine Policy is subject to certain dedications, covenants and restrictions, which are of record in the official public records of Montgomery County, Texas.

BYLAWS OF DEER TRAIL PROPERTY OWNERS ASSOCIATION, filed under PI145-2012087801-31;

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER TRAIL SECTION ONE, ARE RECORDED IN MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, under 2006-092950 (149-11-1098/149-11-1122);

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER TRAIL SECTION TWO, ARE RECORDED IN MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, under 2006-092951 (149-11-1123/149-11-147);

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER TRAIL SECTION THREE, ARE RECORDED IN MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, under PI145-2013033732-26; ;

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR DEER TRAIL SECTION FOUR, ARE RECORDED IN MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, under 2008-036856 (556-11-2492/556-11-2516);

WHEREAS, pursuant to the authority vested in Deer Trail Property Owners Association under the Declaration of Covenants, Conditions and Restrictions for each Section of Deer Trail and the Association's Bylaws and pursuant to the express authority of the Texas Property Code, the Board of Directors of the Association hereby promulgates the following FINE POLICY and

WHEREAS, pursuant to the Association's Bylaws, the Board of Directors of the Association is authorized to adopt, amend, repeal and enforce various rules and regulations and implement and levy fines as it deems necessary or desirable with respect to the interpretation and implementation of the Bylaws, architectural guidelines, rules and regulations of the Association and the Declaration.

NOW THEREFORE, for the purpose of adopting a Fine Policy for the Guidelines, Declaration of Covenants, Conditions and Restrictions for each Section of Deer Trail Subdivision and in accordance with 204.010 of the Texas Property Code; the Board of Directors of Deer Trail Property Owners Association has adopted the following Fine Policy, including Fine Schedule, all of which are considered necessary for the interpretation and implementation of the Bylaws, Restrictions, Architectural Control Committee guidelines, rules and regulations of the Association and the Declaration.

The Board may levy Fines against an Owner or Member for any violation of the Bylaws, the Declaration, Deed restrictions, ACC violations, and any other rules and policies currently in effect at the time of the violation by any Owner, Member, Any occupant of the Owner or Members property, or invitee or guest of the Owner or Member.

Be it resolved by the Board of Directors of Deer Trail Property Owners Association that the following Fine Schedule be adopted.

FINE SCHEDULE:

Violation Policy, Schedule and Penalties: Any violation of the ByLaws, Architectural Committee Guidelines, Rules and Regulations of the Association and Covenants and Declarations, which are applicable to the Subdivision or the Association, shall result in the following actions and penalties:

1st Violation -A Warning Citation will be issued in writing to the Owner or Member and, if known to the Association, to the resident of the property. Within the letter, the Owner or Member shall be given a reasonable time period to cure violation and shall be given statutory notices, including the notices required by Section 209.006 of the Texas Property Section Code, and as it may be amended from time to time.

2nd Violation Notice of same offense - \$50.00 - 30 days to pay

3rd Violation Notice of same offense - \$100.00 - 30 days to pay

4th Violation Notice of same offense - \$150.00 -30 days to pay

5th violation Notice of same offense - \$150.00 and possible legal action.

For Failure to obtain Architectural Control Committee approval, failure to maintain improvements as required, failure to abide by use restrictions and failure to abide by architectural restrictions:

After initial Warning Citation, as outlined above:

(a)\$150.00 per thirty (30) day period of continuing violation

Penalties Cumulative: All penalties shall be cumulative. If the violation continues for more than six (6) months or reoccurs after the end of a six (6) month period, such violation shall be subject to an additional \$1,000.00 cap for each subsequent six (6) month period. The Property Owners Association may offer a payment plan to the property owner, such payment plan cannot exceed eighteen months from the date of the property owner's request for a payment plan.

Payments received from a member will be applied to the member's debt with the Association in the following order of priority:

1. First to any delinquent assessment
2. Next, to any current assessment
3. Next, to any attorney's fees or third party collection costs incurred by the Association that are associated solely with assessments or any other charge that could provide the basis for foreclosure
4. Next, to attorney's fees incurred by the Association that are not the subject of Number 3 above
5. Next to any fines assessed by the Association, and

Last to any other amount owed to the Association. Provided that if at the time the Association receives a payment from a member who is in default the Association is not required to apply the payment in the order of priority specified above and may use all of its rights and remedies including the filing of an Affidavit of Non Compliance in the Real Property Records of Montgomery County Texas and or the initiation of legal proceedings seeking injunctive relief, and/or damages, attorney fees, costs of court and all other remedies at law or in equity to which the Association may be entitled.

Signed this ____ Day of _____, 2014.

Katherine H. Baker, President _____

Debbie Bevers, Vice President _____

Loren Zawodny, Secretary _____

Bobby Powell, Treasurer _____

Chris Cash, Member and ACC Liaison _____