

HOLIDAY HARBOR COMMUNITY ASSOCIATION, INC.

VIOLATION AND FINING POLICY 2026

(Including Schedule of Fines)

THE STATE OF TEXAS

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KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF SAN JACINTO

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WHEREAS, the **HOLIDAY HARBOR COMMUNITY ASSOCIATION, INC.** ("Association") is charged with administering and enforcing those certain covenants, conditions, and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as "Declarations"); and

WHEREAS this document sets forth Holiday Harbor Community Association's policy for imposing disciplinary actions (including a Schedule of Fines) for violations of the Association's governing documents, pursuant to Texas Property Code 209.0061 and the Association's Amended Bylaws ("Bylaws") and Amended & Restated Declaration of Covenants, Conditions & Restrictions (CC&Rs); and

WHEREAS the Board of Directors ("Board"), pursuant to CC&Rs section 4.00 & 4.06 and Bylaws section 5.1 & Article XI, has the authority to adopt and establish rules, regulations and policies (collectively, "Rules") governing the use of Common Area and facilities within Holiday Harbor Community Association, the personal conduct of Members, tenants and guests, and to take steps as it deems necessary for the enforcement of such Rules and the Association's Governing Documents (which in addition to the Rules, includes the Bylaws and CC&Rs); and

WHEREAS each Lot Owner is a Member of the Association and is responsible for complying with the Governing Documents. Owners are required to give their tenants, if any, copies of the Governing Documents and of amendments and new Rules as they are adopted. Owners are also responsible for ensuring that their tenants, invitees, guests, and Lot occupants comply with the Governing Documents. In the case of violations by tenants, invitees, guests, and Lot occupants who are not Members of the Association, the Association will notify the Lot Owner. Any fines for non-compliance or Reimbursement Assessments will be imposed against the Owner.

NOW, THEREFORE, the Board has duly adopted the following Schedule of Fines and Policy Processes.

Holiday Harbor Community Association Schedule of Fines

To ensure compliance with the Governing Documents of Holiday Harbor Community Association, Members may be fined for violations. The Association's Board of Directors has adopted this Schedule of Fines, which will be in effect until changed by action of the Board of Directors. Any violation of the Governing Documents either by a Member or a Member's tenant, invitee, guest, or Lot occupant shall be subject to the following fines:

Violation Description	1st Violation	2nd Violation¹	3rd + Subsequent²
CC&R Article 1 Architectural Control	\$50	\$100	\$200
CC&R 1.05 RV Parking past 2 weeks	\$50	\$150	\$250
CC&R 2.01 No noxious or offensive activity	\$25	\$30	\$40
CC&R 2.02 Animal Limitation and types	\$20	\$30	\$40

Violation Description (Cont'd)	1st Violation	2nd Violation¹	3rd + Subsequent²
CC&R 2.03 Lot mowing and upkeep - 12-18" max, Violation + Cost	\$30	\$40	\$50
CC&R 2.03 Lot mowing, rubbish, dead limbs, dead tree removal by HHCA. Violation + Cost	\$40	\$50	\$60
CC&R 2.04 Sign limitations	\$10	\$20	\$30
CC&R 2.05 Boat & trailer limitations & 20' setback	\$15	\$30	\$40
CC&R 2.06 Trucks over 1-ton limitations	\$25	\$35	\$55
CC&R 2.07 Inoperable vehicles, trailers, appliances	\$20	\$30	\$50
Boat Ramp Violations	\$25	\$30	\$40
Excessive Noise and Disorderly	\$15	\$25	\$35
Misuse of Common Area	\$15	\$25	\$35
Unattended Parking on Roads	\$10	\$20	\$30
Serious Personal Endangerment or Serious Health Hazard ³	\$100	\$200	\$300
Vandalism Violation Fee + Cost	\$100	\$200	\$300
Annual Maintenance Fee non-payment by due date	18% per annum		

¹ Applies to a second violation of the same type.

² Applies to a third or subsequent violation of the same type.

³ Actions that may result in or do result in serious personal endangerment or a health hazard are subject to higher fines. An example of a rule violation that can result in serious personal endangerment is fast driving in the community. An example of a rule violation that can result in a serious health hazard is maintenance of too many pets without regard to the area cleanliness.

OTHER FEES (NOT VIOLATIONS)			
Transfer Fee - (processing of owner change)	\$150		
Resale Certificate Preparation	\$375		
Updated Resale Certificate	\$75		

Holiday Harbor Community Association Policy Processes

1. Notice. At least ten (10) days before the meeting at which the Board will determine whether to impose a fine or other sanction, such as suspending any rights or privileges or levying a Reimbursement Assessment, the Board will notify the Member in writing. (TPC 209.006) The notification shall:
 - a. Identify the governing document provision that has been violated.
 - b. Describe the nature of the violation.
 - c. Identify the date, time, and place of the meeting.
 - d. Describe the corrective action to be taken by the Member and the time within which it must be done (if applicable).
 - e. Describe intended or possible sanction(s); and
 - f. Give the Member the opportunity to attend the meeting and to address the Board regarding the alleged violation.

If the Member's failure to correct a violation results in the expenditure of funds by the Association to correct the violation, the notice shall also state that the Board may vote to levy a Reimbursement Assessment if the Board finds that a violation has occurred.

The notice shall either be given personally to such Member or sent by first-class or certified mail to the last address for the Member shown on the Association's records.

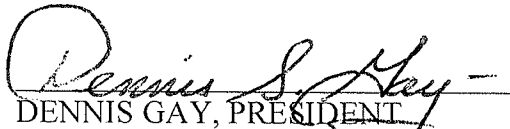
2. Hearing. (Texas Property Code 209.007) The hearing shall be conducted by the Board. The Member is entitled to attend the hearing and to address the Board. The President shall read the charges against the Member. The Member is allowed to present evidence and testimony on his or her behalf and shall have the right to question the witnesses against him or her and examine all evidence presented. The Board is entitled to question all witnesses. The Board shall have the exclusive power and authority to impose disciplinary action.
3. Imposing Disciplinary Action. The Board may impose one or more sanctions if it determines at the meeting that a member or his or her tenant, invitee, guest or Lot occupant has committed a violation of a particular governing document provision. This action may be imposed even if the Member does not appear at the hearing when scheduled or does not submit a written explanation to the Board at or before the time scheduled for the hearing. As provided in CC&Rs Section 4.06, disciplinary action may include loss of good standing, suspension of other rights, and/or monetary penalties (i.e., fines) as follows:
 - a. Loss of Good Standing. Suspension of the Member's Good Standing status for so long as the Member remains in default of any payment or until the violation is remedied. The impact of suspension of the Member's Good Standing status is that they will be excluded in any activities that are sponsored by Holiday Harbor Community Association.
 - b. Suspension of Other Rights. Suspension of the Member's or Resident's right to use Common Area recreational facilities for so long as the Member remains in default of any payment or for such period as may be specified by the Board if the violation involves misbehavior related to Common Area recreational facilities.
 - c. Monetary Penalties i.e. Fines. Imposition of fines in accordance with the Association's current Schedule of Fines.

In the case of continuing violations, such as architectural violations, the Board may impose additional disciplinary action once every thirty (30) days until the violation is remedied, provided that procedural requirements are followed. Repeated or habitual violations within a 30-day period, such as parking violations, shall not constitute a continuing violation but shall be a separate violation for each occurrence, and disciplinary action may be imposed for each and every separate violation.

4. Notice of Board's Decision; Effective Date of Sanction. The Board shall notify the Member of its decision, in writing, within fifteen (15) days after the hearing. Failure to notify the Member within such a 15-day period shall invalidate the Board's action. A fine or Reimbursement Assessment shall become effective no sooner than five (5) days after the date of the hearing.
5. Grievance Committee. The Board-appointed "Grievance Committee," as authorized and directed by the Board, has the authority to investigate alleged violations and meet with the alleged violator and complaining parties (if any). The Grievance Committee also makes findings (as to whether a violation has occurred) and provides recommendations to the Board concerning sanctions. However, the final determination on whether a violation has occurred and the decision to impose sanctions (including the type of sanction(s) that will be imposed, if any) shall be ultimately made by the Board.

6. Payment of Fines. Fines (also known as "monetary penalties" or "Enforcement Assessments") are due when imposed and are deemed delinquent if not paid within fifteen (15) days after they are due. All sums payable hereunder by a Member shall bear interest at the maximum rate permitted by law commencing on the date the said sums become delinquent. The Association may commence a lawsuit to compel payment of delinquent fines and to recover attorney's fees and costs of enforcement as noted in Article 4 Enforcement and General Provisions of the Deed Restrictions.
7. Schedule of Fines. The Schedule of Fines adopted by the Board is attached to this Policy.
8. Other Remedies. The Association reserves the right to avail itself of any other remedy permitted by law and the governing documents to enforce the provisions of the Association's Governing Documents (including Rules). These remedies include, but are not limited to, requesting internal dispute resolution, requesting that the matter be submitted to some form of alternative dispute resolution such as mediation or arbitration, right of entry to correct a violation, or bringing an action in court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing later to pursue another remedy.
9. Association's Duty of Enforcement. Failure by the Association to enforce any provision of the governing documents shall in no event be deemed a waiver of the right to do so thereafter.
10. Amendment of Policy. As provided in Texas Property Code 209.0061, the Board may amend this Policy without providing advance notice to the Owners if an amendment is required by law or needed to conform a particular provision or provisions of this Policy to changes in applicable Texas statutory law that are nondiscretionary in nature.

Approved and adopted by the Board on this 22 day of June, 2026.



DENNIS GAY, PRESIDENT
HOLIDAY HARBOR COMMUNITY ASSOCIATION, INC.
A TEXAS NON-PROFIT

THE STATE OF TEXAS

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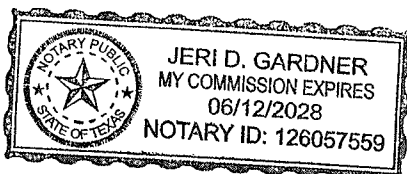
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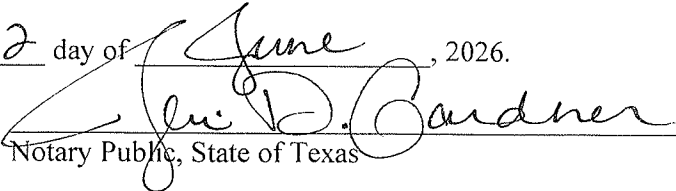
COUNTY OF SAN JACINTO

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Before me, the undersigned authority, on this day personally appeared DENNIS GAY, PRESIDENT of HOLIDAY HARBOR COMMUNITY ASSOCIATION, INC., a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 22 day of June, 2026.




Notary Public, State of Texas