

**OAK HOLLOW PROPERTY OWNERS' ASSOCIATION, INC.
ADDENDUM TO COVENANT ENFORCEMENT AND FINING PROCESS
FINE STRUCTURE AND POLICY**

WHEREAS, pursuant to the Declaration of Covenants, Conditions and Restrictions for Oak Hollow (the "Declarations") and the Bylaws of Oak Hollow Property Owners' Association, Inc. (the "Bylaws"), the Board of Directors of Oak Hollow Property Owners' Association, Inc. (the "Association") is authorized to establish and collect penalties and fines for violations of the Association's dedicatory instruments, including but not limited to, the Declarations, Bylaws, rules and regulations, policies, resolutions, or design/architectural guidelines.

WHEREAS, relevant portions of the Texas Property Code have been amended which govern the fine structure and notice provisions; and

WHEREAS, Article VII, Section 7.5 of the Bylaws sets forth the Association's fines related to covenant enforcement; and

WHEREAS, the Board of Directors (the "Board") desires to approve an addendum to the fine structure and policy to incorporate the relevant provisions of the Texas Property Code, as amended (the "Addendum").

NOW, THEREFORE, IT IS RESOLVED, in order to comply with the procedures set forth in Chapter 209 of the Texas Property Code, the following procedures and fine structures are established and adopted as an Addendum to the covenant enforcement process for the imposition of fines in the Association, as follows:

1. Pursuant to Texas Property Code 209.006(h), certain violations are deemed to be incurable if they are not a continuous action or condition capable of being remedied by affirmative action. Furthermore, a non-repetition of a one-time violation or other violation that is not ongoing is not considered an adequate remedy. As identified in the Texas Property Code, examples of incurable violations are as follows:

- A. shooting fireworks;
- B. an act constituting a threat to health or safety;
- C. a noise violation that is not ongoing;
- D. property damage, including the removal or alteration of landscape;
- E. holding an event prohibited by a dedicatory instrument.

2. Notice to Property Owner. In the event that an incurable violation is determined to exist on any lot as defined by the Declarations, in conjunction with the imposition of a fine or sanction as provided in the , the Declarations, Bylaws, rules and regulations, policies, resolutions, or design/architectural guidelines, the Board, or its delegate, shall serve the alleged violator with written notice of the violation (the "Initial Notice") by certified mail, return receipt requested. The Initial Notice will inform the recipient of the following:

A. a description of the nature and, if necessary, the location, of the violation.
B. notice that the violation is deemed an incurable violation pursuant to the Texas Property Code, and that a fine has been assessed in the amount of One Hundred Dollars (\$100.00) against the violator, home, and/or lot.

C. Notice that if the violation occurs again, an additional notice letter and fine will be assessed in the amount of Two Hundred Dollars (\$200.00) against the violator, home, and/or lot.

3. Pursuant to Texas Property Code 209.006(i), certain violations are deemed to be curable if they are of a continuous action or a condition that is capable of being remedied by affirmative action. As identified in the Texas Property Code, examples of curable violations are as follows:

- A. parking violations;
- B. maintenance violations;
- C. the failure to construct improvements or modifications in accordance with approved plans and specifications;
- D. an ongoing noise violation such as a barking dog.

4. Initial Notice to Owner. In the event that a curable violation is determined to exist on any lot as defined by the Declaration, prior to the imposition of any fine or sanction as provided in the Declarations, Bylaws, rules and regulations, policies, resolutions, or design/architectural guidelines, the Board, or its delegate, shall serve the alleged violator with written notice of the violation (the "Initial Notice") by certified mail, return receipt requested. The Initial Notice will inform the recipient of the following:

A. a description of the nature and, if necessary, the location, of the violation.
B. notice that if the violation is corrected or eliminated within thirty (30) days from the date of the Initial Notice that no further action will be taken.

C. notice that if the violation is not corrected or eliminated within thirty (30) days from the date of the Initial Notice, a fine in the amount of One Hundred Dollars (\$100.00) will be imposed against the violator, home, and/or lot.

D. notice that, within thirty (30) days from the date of receipt of the Initial Notice, per Texas Property Code Section 209.006 and 209.007, the violator may present a written request to the Board for a hearing.

E. notice that the One Hundred Dollars (\$100.00) fine shall be imposed as contained in the Initial Notice unless a request for a hearing is made within thirty (30) days from the Initial Notice.

5. Hearing. The owner has a right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before the Board, except when the Association files a suit seeking a temporary restraining order or temporary injunctive relief, or files suit that includes foreclosure as a cause of action, and only if the owner is entitled to an opportunity to cure the violation.

The Association shall hold a hearing under this Section not later than the thirtieth (30th) day after the date the Board received the owner's request for a hearing and shall notify the owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The owner or the Association may make an audio recording of the hearing.

The notice and hearing provisions and this section do not apply if the Association files a suit seeking a temporary restraining order or temporary injunctive relief, or files a suit that includes foreclosure as a cause of action. If a suit is filed relating to a matter to which those sections apply, a party to the suit may file a motion to compel mediation.

- A. an owner or the Association may use alternative dispute resolution services.
- B. not later than ten (10) days before the Association holds a hearing under this section, the Association shall provide to the owner a packet containing all documents, photos, and communications relating to the matter the Association intends to introduce at the hearing.
- C. if the Association does not provide a packet within the period described above, an owner is entitled to an automatic fifteen (15) days postponement of the hearing.
- D. during a hearing, a member of the Board or the Association's designated representative shall first present the Association's case against the owner. An owner or the owner's designated representative is entitled to present the owner's information and issues relevant to the appeal or dispute.
- E. the minutes of the hearing shall contain a written statement of the results and the sanction, if any, imposed. The Board may, but shall not be obligated to, suspend any proposed fine if the violation is cured within the suggested time period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by an violator or other person.

6. Notice of Fine. In the event that a violator has not cured the violation within thirty (30) days from the date of the Initial Notice or has not made a timely written request for a hearing, then the Board may impose a fine in the amount of One Hundred Dollars (\$100.00) against the violator, home, and/or lot. In the event the Board imposes a One Hundred Dollar (\$100.00) fine against a violator, home, and/or lot, the Board or its delegate will send a form notice of the imposition of a fine (the Notice of Fine") to the violator. The Notice of Fine will be given by either personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate, which notice shall state:

- A. the nature of the violation;
- B. that a fine in the amount of One Hundred Dollars (\$100.00) has been imposed against the violator, home, and/or lot; and
- C. that if the violation is not corrected within then (10) days from the date of the Notice of Fine, a second fine in the amount of Two Hundred Dollars (\$200.00) will be imposed against the violator, home, and/or lot. Any and all fines levied shall also become a part of the owner's assessment obligation and a lien against the home or lot can be levied.

7. Second Fine. If the violation is still not corrected or cured within ten (10) days from the date of the Notice of Fine, then the Board may impose a second fine in the amount of Two Hundred Dollars (\$200.00) against the violator, home, and/or lot. In the event the Board imposes a second fine in the amount of \$200.00 against the violator, home, and/or lot, it shall so notify the violator in writing, which notice shall be given by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate.

8. Third Fine. In the event that the violation is not cured within ten (10) days from the date of the Notice of Second Fine in the amount of \$200.00, the Board may impose a third fine in the amount of Three Hundred Dollars (\$300.00) against the violator, home, and/or lot. The Board shall give notice to the violator of the imposition of the Third Fine by written notice, which notice shall be given by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate.

9. Subsequent Fines. In the event that a violation has not been cured within ten (10) days from the date of the Notice of the Third Fine, then the Board may impose a per diem fine against the violator, home, and/or lot in any amount deemed reasonable by the Board.

10. Categories of fines could include the following, but shall not be limited to:

- A. unapproved lot clearing
- B. unauthorized removal of trees
- C. impeded or altered natural surface water flow
- D. damage to common areas
- E. violation due to lack of exterior maintenance
- F. violation due to sanitation and/or unsightliness
- G. violation due to garage storage
- H. violation due to parking and/or vehicles on the streets
- I. violation due to a nuisance
- J. violation related to animals and/or animal control
- K. any other violation related to any act inconsistent with or in violation of the Bylaws, Regulations, Covenants, or Declarations of the Association

11. Architectural Control Fine Schedule. Architectural control violations will have specific fines as follows:

- A. First Fine - \$300.00
- B. Second Fine - \$400.00
- C. Third Fine - \$500.00

The initial notice to the owner, the notices of fines, the subsequent fines, and the hearing process described in this Policy will apply to the Architectural Control Fine Schedule.

Fines related to the Architectural Control Fine Schedule can include, but are not limited to the following:

- A. failure to gain approval from the Architectural Control Committee for any Improvements.
- B. failure to follow Architectural Control Committee Approved Plans for a project.

12. Owners who do not rectify the violations after the notice letters, may have a lien placed against them, the house, and/or the lot. In the event the Association determines a lien is necessary, then the Association must send a First Notice of Intent to File Lien via first class mail or email. Thirty (30) days after the First Notice of Intent to File Lien was sent, a Second Notice of Intent to File Lien must be sent via certified mail, return receipt request. Ninety (90) days after the Second Notice of Intent to File Lien was sent, Notice of Assessment of Lien must be sent. Each notice must contain the detail of the amount owed, clarify the homeowner's rights, and provide at least a thirty (30) day period in which the homeowner can pay the amount owed without any additional charges.

13. Late fee fine schedule. Late fees that will be added to late payments owed to the Association will be incurred as follows:

- A. If the owed payment is 0 to 30 days late, then the late fee equals \$15.00;
- B. If the owed payment is 31 to 60 days late, then the late fee equals an additional \$50.00;
- C. If the owed payment is 61 to 90 days late, then the late fee equals an additional \$100.00;
- D. If the owed payment is greater than 90 days late, then the late fee equals an additional 5% of the total amount owed per month thereafter for which the owed payment remains outstanding.

14. All fines outlined in this **ADDENDUM TO COVENANT ENFORCEMENT AND FINING PROCESS FINE STRUCTURE AND POLICY** shall be enforced at the discretion of the Board.

IT IS FURTHER RESOLVED, that the purpose of this Fine Structure Policy is to provide a standard for the Association and comply with HB 886 (Assessment Lien Filing) and HB 614 (Fines and Enforcement Policy) in conjunction with Section 209.0061 of the Texas Property Code.

IT IS FURTHER RESOLVED, that this Fine Structure Policy is effective upon adoption hereof, and is to remain in force and effect until revoked, modified, or amended.

[Signature Page to Follow]

By signing below, I certify that the foregoing was adopted by the Board on this 8th day of October, 2024.

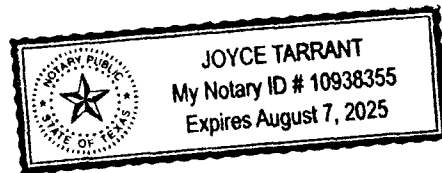
A.E. Shull
By: A.E. Shull
Title: President
Date: 10/23/24

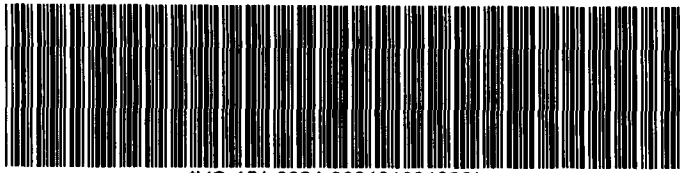
STATE OF TEXAS

COUNTY OF SMITH

This instrument was acknowledged before me on October 23, 2024 (date) by A.E. Shull (name or names of person or persons acknowledging), known to me to be the President (title) of the Board of Directors for the Oak Hollow Property Owner's Association, Inc.

Joyce Tarrant
Notary Public
Printed Name: Joyce Tarrant
My Commission Expires: 08/07/2025





VG-151-2024-202401031922

Smith County
Karen Phillips
Smith County Clerk

Document Number: 202401031922

Real Property Recordings
RESTRICTION

Recorded On: November 05, 2024 08:59 AM

Number of Pages: 7

Billable Pages: 6

" Examined and Charged as Follows: "

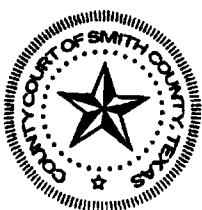
Total Recording: \$45.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 202401031922
Receipt Number: 20241105000018
Recorded Date/Time: November 05, 2024 08:59 AM
User: Alma J



STATE OF TEXAS
Smith County

I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Smith County, Texas

Karen Phillips
Smith County Clerk
Smith County, TX