

MONARCH AT THE MEADOWS HOMEOWNERS ASSOCIATION, INC.

Dedicatory Instrument

NOTICE AND HEARING; SCHEDULE OF FINES POLICY

WHEREAS, the Board of Directors (the "Board") of Monarch at the Meadows Homeowners Association, Inc. (the "Association") wishes to adopt reasonable guidelines to establish Notice and Hearing; Schedule of Fines Policy for the Association in compliance with Section 209.006, 209.0061 and 209.007 of the Texas Property Code (the "Property Code"); and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.005 of the Property Code regarding Owner access to Association documents and records ("Records"); and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 202.006 of the Property Code; and

WHEREAS, this policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors without amending the Bylaws and as a stand-alone policy to comport with industry standards, to amend or revise provisions of the policy as may be deemed necessary and in the best interest of the Association; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines for Notice and Hearing; Schedule of Fines Policy are established by the Board:

NOTICE AND HEARING; SCHEDULE OF FINES

Notice and Hearing.

(a) Prior to (i) the imposition of any fine for a violation of the Declaration or the levying of any special individual assessment on an Owner, (ii) the suspension of the right of an owner to use or access the Common Area, (iii) the filing of a suit to collect regular or special assessments or to foreclose on the Association's lien, or (iv) charging an owner for property damage, the Association will give at least one (1) notice providing a reasonable cure period of not less than five (5) days (unless violation is deemed an emergency, constitutes a safety or health hazard, or is a non-curable violation, in which event no cure period shall be required to be included in such notice) each to the Owner in compliance with the Declaration and/or Section 209.006 of the Texas Property Code (the "**Property Code**"), as the same may be hereafter amended. Notices as described above are not required for (a) situations deemed to be an emergency, constitutes a safety or health hazard or poses any kind of health or safety issue, or deemed a non-curable violation by the Board, or (b) a violation for which an Owner has been previously given notice of and the opportunity to cure in the preceding six (6) months. Notice(s), as a general rule shall follow the schedule below notwithstanding, it is to be understood this is a guide and in no way prevents the Association or its Managing Agent from deviating from this schedule when it is deemed in the best interest of the Association or its Residents to do so:

(i) First Notice in the manner required under the Property Code shall be sent certified U.S. mail.

(ii) Second Notice of Violation may be (but is in no way required to be) sent using one of two choices; a Second Notice of Violation with additional time to abate the violation or a Fine Warning Notice. If a Fine Warning Notice is sent, the notice must be sent certified and regular U.S. mail. Second Notice of Violation, regardless of its nature must inform the Owner of his/her right to a Hearing as described below.

(iii) Notice of Fine Levied (**Notice of Fine**) shall be delivered by certified and regular U.S. mail.

(iv) The notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner.

(v) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation and avoid the fine and that the Owner may request a hearing as outlined in the Declaration and Section 209.007 of the Texas Property Code on or before the 30th day after the Owner receives the notice. The notice must additionally inform the Owner 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.

(b) In compliance with Section 209.007 of the Texas Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Board receives the Owner's request, 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. Not later than ten (10) days before the Association holds a hearing under Chapter 209 of the Texas Property Code, the Association shall provide to an Owner a packet containing all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing; failing which the Owner is entitled to a fifteen (15) day postponement of the hearing. Additional postponements may be granted by agreement of the parties. During the hearing, the Association (through a member of the Board or designated representative) shall first present the Association's case against the Owner. An Owner or its designated representative is then entitled to present the Owner's information and issues relevant to the appeal or dispute.

(c) Provided that such Owner has not requested a hearing in accordance with the above and the violation has not been cured, then the Association shall continue to levy fines per the schedule below, notwithstanding, the schedule provided is a guide and does not constitute a hard and fast rule as the amount of fine a Board can levy for an Owner's non-compliance. Some violations, depending upon the severity or repetition, may warrant more stringent fine enforcement or may warrant a one-time fine in lieu of fining in increments. The amount and frequency in which a fine is levied is at the sole discretion of the Board. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard, pursuant to Section 209.006 and Section 209.007 of the Texas Property Code.

Schedule of Fines.

Fines may be assessed for (1) uncurable violations, which include (without limitation) shooting fireworks, an act constituting a threat to health or safety, a noise violation that is not ongoing, property

damage (including the removal or alteration of landscape), and holding a garage sale or other event prohibited by a dedicatory instrument, or (2) curable violations, which include (without limitation) a parking violation, a maintenance violation, the failure to construct improvements or modifications in accordance with approved plans and specifications, and an ongoing noise violation such as a barking dog.

Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Declaration. The Board may elect to pursue such additional remedies at any time in accordance with applicable law.

FINES:

<u>Violation:</u>	<u>Fine Amount:</u>
Notice of Fine Levied— 1 st Fine Notice	\$50.00 to \$1,000.00 depending upon the nature, severity, and reoccurrence of the violation
Notice of Fine Levied— 2 nd Fine Notice	\$105.00 to \$2,000.00 depending upon the nature, severity, and reoccurrence of the violation
Notice of Fine Levied - 3 rd Fine Notice	\$205.00 to \$3,000.00 depending upon the nature, severity, and reoccurrence of the violation
Notice of Fine Levied— 4 th Fine Notice & Beyond	Fine will increase an additional \$50.00 every week until Owner cures the violation

Note: Once a fine has reached the maximum fine amount, if applicable, and the Owner has not cured the violation (if curable), the fine process will continue at the rate of \$50.00 per week until the violation is cured, fine shall not exceed \$3,000.00. The Association shall send one (1) additional notice notifying the Owner fines will continue until the violation is cured (if curable) and thereafter, the Association will not be required to notify the Owner further and may continue to fine until the violation is cured or the Association determines that self-help action is required or warranted.

This policy may be amended at any time and from time to time by the Declarant during the Declarant Control Period and thereafter by the Board of Directors without amending the Bylaws, as a stand-alone policy to comport with industry standards, to amend, revise provisions of the policy, or rescind all or any part of the policy, as may be deemed necessary and in the best interest of the Association. Any amendment to the policy shall be mailed to each homeowner and a copy placed on the Association's website if applicable.

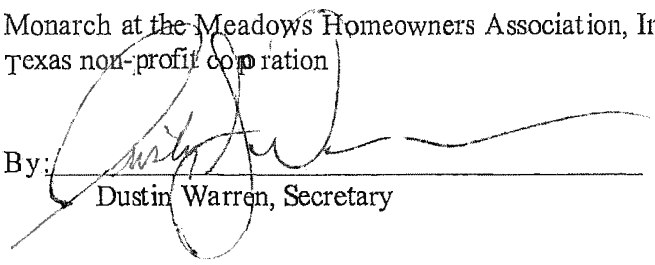
Unless otherwise defined in this instrument or the context otherwise requires, each term used in these this instrument with its initial letter capitalized which has been specifically defined in the "Declaration of Covenants, Conditions and Restrictions for Monarch at the Meadows", recorded in the Official Public

Records of Denton County, Texas (the "Declaration") and not otherwise specifically defined in this instrument shall have the same meaning herein as given to such term in the Declaration.

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This is to certify that the foregoing Notice and Hearing; Schedule of Fines Policy was adopted by the Board of Directors, in accordance with Chapter 209 of the Texas Property Code, and supersedes any policy regarding Notice and Hearing and/or Schedule of Fines Policy which may have previously been in effect.

Monarch at the Meadows Homeowners Association, Inc., a
Texas non-profit corporation

By: 

Dustin Warren, Secretary