

WILDEWOOD OWNERS ASSOCIATION, INC.

RULES AND REGULATIONS PERTAINING TO FINES AND FINE SCHEDULE

WHEREAS, the Board of Directors (the "Board") of Wildewood Owners Association, Inc., ("Association") finds that there is a need to establish orderly procedures and structure for the imposition of fines and/or monetary sanctions for violations of the Restrictions - Wildewood Sub-Division Property Sections 1 and 2 and all amendments thereto for Wildewood Owners Association, Inc., ("Restrictions") and the Bylaws of Wildewood Owners Association, Inc., ("Bylaws"); and

WHEREAS, the Board has determined that it is in the best interests of the Association for it to promulgate Rules and Regulations pertaining to fines and specifically establish a fine structure.

NOW, THEREFORE, IT IS RESOLVED that the following Rules and Regulations Pertaining to Fines and Fine Structure are established for the imposition of fines in Wildewood Owners Association, Inc., as follows:

I. NOTICE OF VIOLATION

For violations other than construction without Architectural Control Committee ("ACC") approval, the Board shall give an Owner written notice of the violation and opportunity to cure the violation before imposing a fine. The following notification procedure shall be followed:

A. First Notice: The Association shall notify the Owner of the violation by written letter sent by first class mail. The notice shall contain the following information:

1. A description of the violation and reference to the provision of the Restrictions being violated, and the action that must be taken to cure the violation.
2. A statement that the violation must be corrected within fifteen (15) days from the date of the "First Notice."

B. Second Notice: After issuance of the "First Notice" and expiration of the fifteen (15) day compliance period, the Association shall notify the Owner, by first class mail and certified mail, return receipt requested, if the violation described in the "First Notice" has not been resolved. The "Second Notice" shall contain the following information:

1. A description of the violation and reference to the provision of the Restrictions being violated, and the action that must be taken to cure the violation.

2. A statement that the violation must be corrected within fifteen (15) days from the date of the "Second Notice" or a fine will be applied to the Owner's account.
3. The amount of the fine that will be assessed if the violation is not cured within the time allowed.
4. A statement that the Owner will be charged attorney's fees and costs incurred by the Association in enforcing the Restrictions and/or abating the violation if the violation is not cured within thirty (30) days from the date of the "Second Notice."
5. A statement that the Owner may request a hearing before the Board of Directors by submitting a written request for the same to the Board within thirty (30) days of the Owner's receipt of the "Second Notice."

C. **Third Notice:** After the issuance of the "Second Notice" and expiration of the

compliance period, the Association shall notify the Owner by first class mail and certified mail, return receipt requested, if the violation described in the "Second Notice" has not been resolved. The "Third Notice" shall contain the following information:

1. A description of the violation that is the basis for the fine and reference to the provision of the Restrictions being violated, and the action that must be taken to cure the violation.
2. A statement that the fine for non-compliance is being added to the Owner's account for not curing the violation within the specified period of time contained in the "Second Notice."
3. A statement that there will be continuing fines in accordance with the "Fine Schedule" as each subsequent fifteen (15) day period elapses and the violation is not cured.
4. A statement that there is no aggregate amount of the fines which may accrue for the same violation. Additionally, that if the matter is referred to legal counsel for further enforcement measures, all attorney's fees and costs incurred by the Association will be charged to the Owner's account in accordance with Chapter 209 of the Texas Property Code.

5. A statement that the Owner may request a waiver of the fines by submitting a written request to the Board of Directors after the violation is cured.
6. The amount of fines being assessed against the Owner.

II. HEARING

The Board shall follow the procedures stated in Chapter 209 of the Texas Property Code in conducting a hearing.

III. FINE SCHEDULE

The imposition of fines will be on the following basis:

- A. **First Violation:** \$100.00 imposed for each fifteen (15) day period that the same violation continues to exist until cured.
- B. **Addition but Separate Violations of the Same Restriction Within Six Months of Receipt of the "Second Notice:"** \$200.00, which may be imposed every fifteen (15) days that the violation continues to exist until cured.
- C. **Aggregate Limit:** There is no limit to the aggregate limit amount of fines imposed for the same violation.

IV. INFORMATION REGARDING FINES

- A. Fines will be imposed in addition to and not in lieu of any other rights or remedies of the Association allowed by the Restrictions or other Rules and Regulations adopted by the Board.
- B. Fines are imposed against the Owner and are the obligation of the Owner of the property.
- C. An Owner should notify the Board when a violation is cured. Upon verification, the violation will be deemed to no longer exist. Unless fines are waived by the Board, the Owner will remain liable for all fines imposed under these Rules and Regulations. If the fines are not paid on demand, the account may be referred to legal counsel for collection. The Owner shall be responsible for all attorneys' fees incurred in connection with the enforcement of any provision of the Restrictions and/or the Rules and Regulations in accordance with the provisions of Chapter 209 of the Texas Property Code.

IT IS FURTHER RESOLVED that the purpose of these Rules and Regulations Pertaining to Fines and Fine Structure is to provide a standard for the Association. Notwithstanding these Rules and Regulations, the Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency and effects of the violation. The Board may also establish a schedule of fines for certain types of violations. If circumstances warrant a variance from the Association's published Rules and Regulations, the Board will document the reasons for the variance in the minutes of its meeting. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Association's documents.

IT IS FURTHER RESOLVED that in case of conflict between a provision of these Rules and Regulations and the Restrictions and Bylaws, the provisions of the Restrictions and Bylaws are controlling.

IT IS FURTHER RESOLVED that these Rules and Regulations are effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.