

PANTHER CREEK ASSOCIATION OF HOMEOWNERS, INC

ENFORCEMENT AND FINE POLICY

WHEREAS, the Board of Directions or Panther Creek Association of Homeowners, Inc. (the “*Association*”) is empowered to enforce the provisions of the Declaration of Covenants, Conditions and Restrictions for Panther Creek Estates (the “*Declaration*”), including the Bylaws (herein so-called) and any rules of the Association, as provided in Article III, Section 3 of the Declaration, and,

WHEREAS, the Board of Directors of the Association finds there is a need to establish orderly procedures for the enforcement of the Rules & Regulations of the Association, and the Declaration (hereinafter referred to, collectively, as the “*PANTHER CREEK ESTATES Governing Documents*”) against violating owners.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the enforcement of the PANTHER CREEK ESTATES Governing Documents and for the elimination of violations of such provisions found to exist in, on and about the property subject to the Declaration (to be referred to herein as the “*Enforcement Policy*”).

Establishment of Violation: Any condition use, activity or improvement which does not comply with the provisions of the PANTHER CREEK ESTATES Governing Documents, shall constitute a “**Violation**” under this Policy for all purposes.

Report of Violation: The existence of a Violation will be verified by a field observation conducted by the Board or its delegate. For the purpose of this Enforcement Policy, the delegate of the Board may include Management, an Officer or Director of the Board, or a Member of any Committee established by the Board for this purpose. A timely written report shall be prepared by the Association for each Violation.

First Notice of Violation: A Courtesy Letter (herein so-called) will be sent to the homeowner describing the nature, description and location of the alleged violation and notification that if the violation is corrected within then (10) days from the date of the Courtesy Letter, no further action will be taken. The Courtesy Letter will be sent via first class mail no later than three (3) days following the observation of the violation.

In cases involving the need for lawn maintenance, the Courtesy Letter shall provide the homeowner with ten (10) days from the date of the Courtesy Letter to cure the violation to avoid self-help measures by the Association. The Association’s cost to cure the violation may be levied to the Owner’s account as a Specific Assessment.

Final Notice of Violation: If the alleged violation has not been corrected within ten (10) days from the date of the Courtesy Letter, a Final Notice of Violation will be sent. This

notice will describe the nature, description, location of the violation and dates the violation has been observed. The Final Notice of Violation shall advise the Owner that he or she has a right to request a hearing as provided in the Bylaws and Chapter 209 of the Texas Residential Property Owners Protection Act. The Final Notice of Violation shall also advise the Owner that any attorney's fees and costs incurred by the Association to enforce the PANTHER CREEK ESTATES Governing Documents shall be charged to the Owner's account if the violation is not cured within ten (10) days from the date of the Final Notice of Violation. It will further state that failure to remedy the violation within ten (10) days of the date of the final notice may result in fines charged to the Owners' account in the amount of not less than \$50 and further enforcement by the Association including legal action may ensue. The Board of Directors reserves the right to charge additional fines should the violation remain uncured and, to the extent allowed in the Declaration and the Bylaws, to enter a property to remedy any violations, in its sole discretion. The cost to remedy any violation will also be charged to the home owners account as a Specific Assessment in addition to any fines listed above..

In addition to the imposition of fines listed above the Board of Directors, on behalf of the Association, may take the following actions for the violations listed below

-Violation of pool/community amenity rules:

- Second Violation suspension of access privileges for 1 month
- Third Violation suspension of access privileges for 12 months
- Fourth violation permanent suspension of access privileges

-Vandalism of any community maintained property including pool areas and furniture:

- Cost to repair and/or replace damaged property
- Vandalism of any community property including pool area and/or furniture will result in automatic and permanent suspension of access privileges
- Vandalism will be reported to all appropriate authorities for appropriate legal action

In the case of an Architectural Review Committee infraction, the homeowner must cease all work which has been deemed a violation and within fifteen (15) days from the date of the Notice of Violation, must submit the plans and specifications for any such work to the Architectural Review Committee (ACC) for approval. Failure to correct, eliminate, or to cease the work which is the subject of the Final Notice of Violation shall permit the Association to pursue any one or more of the remedies available by law, under the Declaration, the Bylaws or this Enforcement Policy.

The Final Notice of Violation shall be sent to the violator by certified mail, return receipt requested and first class mail, and shall advise the violator that he or she has the right to request a hearing on or before the thirtieth (30th) day after the date the violator receives the Final Notice of Violation. The hearing, if one is requested in a timely manner, will be held before the Covenants Committee, if one is appointed, or the Board of Directors. In

the event a Covenants Committee has been appointed by the Board of Directors, the Final Notice of Violation shall also advise the violator that the Covenants Committee's decision may be appealed to the Board of Directors by written notice of appeal as set forth below.

Request for a Hearing: If a written request for a hearing is received by the manager, if any, President or Secretary of the Association on or before the thirtieth (30th) day after the date the violator receives the Final Notice of Violation, the Covenants Committee, if one is appointed, or the Board of Directors, as appropriate, shall notify the violator of the date, time and place of the hearing not later than the tenth (10th) day before the date of the hearing. The hearing must take place not later than the thirtieth (30th) day of the receipt of the request for a hearing. Any notice requirements outlined in this policy shall be satisfied if a copy of the Notice of Violation, along with a statement as to the date and method of delivery, is entered in the minutes of the meeting or if the alleged violator appears at the hearing. The minutes of the meeting shall contain a written statement of the results of the hearing. The Association shall notify the Owner in writing of its action within ten (10) days after the hearing. The Covenants Committee, the Board or the violator may request a postponement and, if requested, a postponement may be granted for a period of not more than ten (10) days. Additional Postponements may be granted on the written agreement of both parties, but in no case shall more than three (3) postponements may be granted. The violator's presence is not required to hold a hearing. The Board may, but shall not be obligated to suspend any proposed sanction if the Violation is cured within the then (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provision of the PANTHER CREEK ESTATES Documents by any Owner.

Hearing Will Take Place if None is Requested: As set forth in Article X, Section 10.01 (b) (v) of the Bylaws, in the event the Owner does not request a hearing by or before the thirtieth (30th) day after receipt of the Final Notice of Violation, then the Board will schedule a hearing to occur at its convenience, but not less than ten (10) days after the thirtieth (30th) day after the date of the Final Notice of Violation. Notice of the date, time and place of the hearing shall be sent to the Owner.

Appeal of Decision: In the event a hearing has been conducted before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. A written notice of appeal must be received by the manager, if any; President or Secretary of the Association within thirty (30) days after the day written notice of the Covenants Committee's decision is sent to the violator.

Repeated Violations of the Same Provision: Whenever an Owner or occupant, who has previously cured or eliminated a violation after receipt of Notice of Violation, commits a separate violation of the same provision of the PANTHER CREEK ESTATES Governing Documents or rules and regulations of the Association within six (6) months from the date of the first Notice of Violation, the Board of Directors shall reinstate the violation and pursue the procedures set forth herein, as if the Violation had never been cured or eliminated. For illustration purposes only, in the event an Owner or occupant has cured a

violation after having received a Notice of Violation, the second violation of the same provision shall prompt the Board of Directors to send notice to the Owner or occupant that a violation fine has been imposed.

Correction of Violation: Where the Owner corrects or eliminates the Violation(s) prior to the imposition of any sanction, no further action will be taken (except for collection of any monies for which the Lot Owner may become liable under the Enforcement Policy and/or the PANTHER CREEK ESTATES Governing Documents). Written notice of correction or elimination of the Violation may be obtained from the Board upon request for such notice by the Owner.

Referral to Legal Counsel: Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interest of the Association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner and/or seeking injunctive relief against the Owner to correct or otherwise abate the Violation. The Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees and expenses actually incurred.

Definitions: The definitions contained in the PANTHER CREEK ESTATES Governing Documents are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED that this Enforcement Policy is to be effective as of August 1, 2007, and is hereby modified and approved by the Board of Directors as of January 16, 2008. It shall remain in force and effect until otherwise revoked, modified or amended by the Board of Directors. The notice and hearing provisions of the foregoing Enforcement Policy are intended to comply with Chapter 209 of the Texas Property Code and, to the extent any provisions governing same contained herein conflict with the Bylaws, Chapter 209 of the Texas Property Code and this Enforcement Policy shall control. This Enforcement Policy shall be filed of record in the Real Property Records of Collin County, Texas.