

THE CROSSING AT WATERFORD OWNERS ASSOCIATION, INC.**FINE STRUCTURE AND POLICY**

WHEREAS, the Board of Directors (the "Board") of the Crossing at Waterford Owners Association, Inc. (the "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 Declaration of Covenants, Conditions and Restrictions for the Crossing at Waterford Owners Association, Inc. (the "Declaration"), the By-Laws of The Crossing at Waterford Owners Association, Inc (the "By-Laws") and the Rules and Regulations promulgated by the Board; and

WHEREAS, pursuant to Article IV, Section 3 of the Declaration, the Board is authorized to make and enforce reasonable rules and regulations governing the use of the Properties in addition to, further defining, or limiting the rights, covenants and restrictions set forth in the Declaration; and

WHEREAS, the Board is authorized, pursuant to Article IV, Section 4 of the Declaration, to impose sanctions for violations of the Declaration, the By-Laws or Rules and Regulations, which sanctions may include reasonable monetary fines; and

WHEREAS, Article III, Section 22 of the By-Laws also empowers the Board to impose reasonable fines, which shall constitute a lien upon an owner's unit or property, for the violation of duties imposed under the Declaration, the By-Laws or any Rules and Regulations promulgated by the Board; and

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

NOW, THEREFORE, IT IS RESOLVED that the following procedures and fine structures are established for the imposition of fines in The Crossing at Waterford Owners Association Inc., as follows:

1. **Initial Notice to Owner**. In the event that a violation is determined to exist on any unit as defined by the Declaration, prior to the imposition of any fine or sanction as provided in the Declaration or By-Laws, the Board or its delegate shall serve the alleged violator with written notice of the violation (the "Initial Notice"). 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 (30) days from the date of the Initial Notice, a fine in the amount of Twenty-Five Dollars (\$25.00) will be imposed against the violator and unit.

- D. Notice that, within thirty (30) days from the date of the Initial Notice, the violator may present a written request to the Board of Directors for a hearing.
- E. Notice that the \$25.00 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.

2. **Hearing.** If a hearing is requested within the time period provided in No. 1 above, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any fine imposed, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing 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 any violator or other person.

3. **Notice of Fine.** In the event that the 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 of Directors may impose a fine in the amount of \$25.00 against the violator and the unit. In the event that the Board of Directors imposes a \$25.00 fine against a violator and a unit, the Board or its delegate will send a formal notice of the imposition of a fine (the "Notice of Fine") to the violator. The Notice of Fine will be given either by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate, which notice shall state (i) the nature of the violation; (ii) that a fine in the amount of \$25.00 has been imposed against the violator and the unit; and (iii) that if the violation is not corrected within thirty (30) days from the date of the Notice of Fine, a second fine in the amount of Seventy-Five Dollars (\$75.00) will be imposed against the violator and the unit. Any and all fines levied shall also become a part of the owner's assessment obligation and a lien against the unit.

4. **Second-Fine.** If the violation is still not corrected or cured within thirty (30) days from the date of the Notice of Fine, then the Board may impose a second fine in the amount of Seventy-Five Dollars (\$75.00) against the violator and the unit. In the event the Board imposes a second fine in the amount of \$75.00 against the violator and unit, 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.

5. **Third Fine.** In the event that the violation is not cured within Thirty (30) days from the date of the Notice of Second Fine in the amount of \$75.00, the Board may impose a third fine in the amount of Two Hundred Twenty-Five Dollars (\$225.00) against the violator and the unit. The Board shall give notice to the violator of the imposition of the \$225.00 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.

6. **Subsequent Fines.** In the event that the violation has not been cured within thirty (30) days from the date of the Notice of the Third Fine in the amount of \$225.00, then the Board may impose a per diem fine against the violator and the unit in any amount deemed reasonable by the Board of Directors. Remember, all fines shall become a part of the owner's assessment obligation and lien against the unit.

7. **Parking Fines.** With respect to violations of Article XII, Section 2 of the Declaration concerning parking and the Association's parking rules, the fining structure fee for the first, second and third fine shall be different from that stated above. The fines for parking violations shall be as follows:

- A. First fine - \$25.00
- B. Second fine - \$50.00
- C. Third fine - \$100.00

Subsequent fines may be levied by the Board of Directors on a per diem basis in any amount deemed to be reasonable by the Board. The fining and notice procedures shall be the same for violations of the parking rules as listed above for other violations.

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

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on February 27, 2001, and has not been modified, rescinded or revoked.

Date: 2/27/01

Michelle Clark
Secretary

**STATE OF TEXAS
COUNTY OF DALLAS**

This instrument was acknowledged before me on the 27th day of February, 2001, by Michelle Clark, Secretary of the Crossing at Waterford Owners Association, Inc.

Christine B. Braun
Notary Public, State of Texas

My commission expires:

3-5-2004

Notary's printed name:

Christine B. Braun

