****DRAFT FROM ATTORNEY*****

RESTRICTIONS ENFORCEMENT AND FINE POLICY for ALADDIN VILLAS PROPERTY OWNER'S ASSOCIATION, INC.

ALADDIN VILLAS PROPERTY OWNER'S ASSOCIATION, INC., a Texas nonprofit corporation ("Association"), acting herein and through its, President files this Restrictions Enforcement and Fine Policy ("Policy").

RECITALS

WHEREAS, Aladdin Villas Subdivision, Phases I and II (collectively, "**Subdivision**") were deed-restricted originally by Ownership Plan and Deed Restrictions recorded in Volume 1824, Pages 599 of the real property records of Hidalgo County, Texas, as amended (collectively, "**Declaration**"), and provides for the Association's governance.

WHEREAS, Section 10.10 of the Association's Bylaws, provides the Association's Board of Directors with express authority to impose fines, and Section 13.3 of the Bylaws provides the authority to enforce the restrictions, conditions, covenants, reservations, rules, prohibitions and regulations ("**Existing Fine Policy**").

WHEREAS, Texas Property Code §209.0061 was added by the 88th Legislative Session, and took effect as of January 1, 2024, requiring the Association to adopt an enforcement policy in compliance with said statute.

NOW, THEREFORE, the Board of Directors for the Association ("Board"), in furtherance of the Association's existing right to levy fines and to enforce the Restrictions, desires to amend and restate Existing Fine Policy, and the following Policy supersedes and replaces any previously recorded fine and enforcement policy.

- 1. <u>Types of Violations.</u> The three types of violations are addressed below.
 - 1.1. **Curable Violations** By way of example and not in limitation, the following are examples of curable violations:
 - 1.1.1. a violation of the "housing for older persons" covenant that each home, now or in the future located in the Subdivision, is intended for occupancy by at least one (1) person fifty-five (55) years of age or older, and each such home shall not be occupied by any person under thirty-five (35) years of age (collectively, an "Age Restriction Violation")
 - 1.1.2. a maintenance violation including the following:

 Worn paint on siding and/or trim
 Fencing in need of completion, repair or re-staining
 Roof in need
 of repair/shingle replacement
 Siding or trim in need of replacement, etc.
 - 1.1.3. Landscaping violations:

 \circ overgrown lawn grasses \circ overgrown or excessive weeds \circ trees and/or vegetation in need of trimming, etc.

1.1.4. blatant violations

- Construction defaults and making modifications without approval as required by the Declaration
- o destruction or damage to Common Areas
- 1.1.5. Nuisance violations
 - $\circ~$ trash cans visible from the street $~\circ~$ hanging clothes outside $\circ~$ debris in front yard, etc.
 - an ongoing noise violation such as a barking dog, or other continuing noxious activity
 - \circ parking \circ signs
 - \circ animal related
- 1.2. Uncurable Violation A violation that has occurred but is not a continuous action or a condition capable of being remedied by affirmative action. By way of example and not in limitation, the Texas Property Code lists the following as examples of uncurable violations:
 - 1.2.1. an act constituting a threat to health or safety;
 - 1.2.2. discharging fireworks;
 - 1.2.3. a noise violation that is not ongoing including late night and excessively noisy parties; and
 - 1.2.4. holding a garage sale or other event prohibited by the Restrictions.
- 1.3. Violation that is a Threat to Public Health or Safety Per the Texas Property Code, a violation that could materially affect the physical health or safety of an ordinary resident.

As provided in this Policy, there are two (2) enforcement procedures to be followed depending upon whether the violation is curable and does not pose a threat to public health or safety or whether the violation is uncurable and/or poses a threat to public health or safety. If there is reasonable uncertainty as to whether a violation is curable or uncurable or a threat to public health or safety, the Board has the authority to make the determination and, therefore, to decide which enforcement procedure will be followed. Provided that, this Policy will not be construed to impose an obligation on the Board to pursue enforcement action with respect to a violation or alleged violation if the Board, in its reasonable good faith judgment, decides that enforcement action is not warranted or necessary.

2. Enforcement -

2.1. Curable Violations That Do Not Pose a Threat to Public Health or Safety. If a violation is curable and does not pose a threat to public health or safety, the Owner will

be given a reasonable period to cure the violation, as provided below. The time period given to an Owner may vary depending upon the violation and the difficulty involved or the effort required to cure the violation. The Board of Directors may, but is not obligated to, consider any special circumstance relating to the violation and the cost to cure the violation. The enforcement procedure for this type of violation is as follows:

- 2.1.1. <u>Courtesy Letter (Optional)</u> Upon verification of a violation, a courtesy letter may be sent to the Owner describing the violation and requesting that the Owner cure the violation within a stated time period. The Association is not required to send a courtesy letter.
- 2.1.2. <u>Violation Letter (Optional)</u> After the expiration of the time set forth in the courtesy letter, if a courtesy letter is sent, or as the initial notice, a violation letter may be sent to the Owner. Depending on the severity of the violation and/or the history of prior violations on the Owner's Lot, the violation letter may be the first letter sent to the Owner. The Association is not required to send a violation letter. If sent, the violation letter will include:
 - 2.1.2.1. a description of the violation;
 - 2.1.2.2. the action required to correct the violation;
 - 2.1.2.3. the time by which the violation must be corrected; and
 - 2.1.2.4. notice that if the violation is not corrected within the time provided or if there is a subsequent violation of the same restriction, a fine may be imposed or other enforcement action may be initiated.
- 2.1.3. **Demand Letter** Either upon initial verification of a violation, or after the expiration of the time period stated in the courtesy letter and/or violation letter, if sent, a demand letter may be sent to the Owner. The demand letter must be sent by certified mail or by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier. The demand letter must be sent to the Owner's last known address as shown in the records of the Association, as well as by any other method that the Board determines will cause the demand letter to be received by the Owner. Depending on the severity of the violation and/or the history of prior violations on the Owner's Lot, the demand letter may be the first letter sent (rather than a courtesy letter and/or a violation letter), as determined by the Board in its sole discretion.
 - 2.1.3.1. **Content of the Demand Letter** The demand letter will include the following:
 - 2.1.3.1.1. a description of the violation that is the basis for the enforcement action, suspension action, charge, or fine and any amount due the Association;
 - 2.1.3.1.2. notice that the Owner is entitled to a reasonable period to cure the violation and avoid the enforcement action, suspension, charge or fine;
 - 2.1.3.1.3. a specific date, which must be a reasonable period given the nature of the violation, by which the Owner must cure the violation. If the Owner cures the violation before the date specified, a fine will not be assessed for the violation;
 - 2.1.3.1.4. a notice that the Owner may request a hearing before the Board of Directors, such request to be made in writing on or before the 30th day after the date the notice was mailed to the Owner; and
 - 2.1.3.1.5. notice that the 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.
 - 2.1.3.2. **Hearing Requested** If a hearing is properly requested by the Owner, the hearing will be held not later than the 30th day after the date the Association receives the Owner's written

request for a hearing. Notification of the date, time and place of the hearing will be sent not later than the 10th day before the hearing. If a postponement of the hearing is requested by either the Association or the Owner, a postponement must be granted for a period of not more than ten (10) days. Any additional postponement may be granted by agreement of the parties.

- 2.1.3.3. **Hearing Not Requested** If a hearing is not properly requested by the Owner, the violation must be cured within the time frame set forth in the demand letter. Fines, suspension of the right to use the Common Area, and other remedies available to the Association may be implemented after the expiration of the thirty (30) day time frame provided to the Owner to request a hearing.
- 2.1.3.4. **Remedies** The Owner is liable for, and the Association may collect reimbursement of, reasonable attorney's fees and other reasonable costs incurred by the Association after the conclusion of a hearing, or, if a hearing is not requested, after the date by which the Owner must request a hearing. Additionally, the Association may, but is not obligated to, exercise any self help remedies set forth in the Restrictions. Further, the right to use the Common Area may be suspended. In addition to charging fines, as provided below, the Association reserves the right under the Restrictions and under Texas law to file a suit for the recovery of damages and/or injunctive relief.
- 3. <u>Enforcement</u> Uncurable Violations and/or Violations that Pose a Threat to Public Health or Safety. Upon initial verification of an uncurable violation and/or threat to public health or safety, a demand letter may be sent to the Owner. The demand letter must be sent by certified mail or by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier. The demand letter must be sent to the Owner's last known address as shown in the Association's records, as well as by any other method that the Board determines will cause the demand letter to be received by the Owner.
 - 3.1. Content of the Demand Letter The demand letter will include the following:
 - 3.1.1. a description of the violation that is the basis for the enforcement action, suspension action, charge, or fine and any amount due the Association;
 - 3.1.2. notice that the Owner may request a hearing before the Board of Directors, such request to be made in writing on or before the 30th day after the date the notice was mailed to the Owner; and
 - 3.1.3. notice 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.
 - 3.2. **Hearing Requested** If a hearing is properly requested by the Owner, the hearing must be held not later than the 30th day after the date the Association receives the Owner's written request for a hearing. Notification of the date, time and place of the hearing will be sent not later than the 10th day before the hearing. If a postponement of the hearing is requested by either the Association or the Owner, a postponement must be granted for a period of not more than ten (10) days. Any additional postponement may be granted by agreement of the parties.

3.3. **Remedies** – Regardless of whether the Owner requests a hearing, fines, suspension of the right to use the Common Area, and other remedies available to the Association may be implemented after mailing the demand letter. The Owner is liable for, and the Association may collect reimbursement of, reasonable attorneys' fees and other reasonable costs incurred by the Association. Additionally, the Association may, but is not obligated to, exercise any self-help remedies set forth in the Declaration. Further, the right to use the Common Area may be suspended.

In addition to charging fines, the Association reserves the right under the Governing Documents and under Texas law, to file a suit for the recovery of damages and/or injunctive relief.

- 4. **Subsequent Violation**. If an Owner has been given notice in accordance with Section 2 or Section 3 of this Policy in the preceding six (6) month period, notice is not required for the recurrence of the same or a similar violation. The Association may impose fines or suspend the Owner's right to use the Common Area without first sending another demand for compliance.
- 5. Fines. Subject to the notice provisions set forth in Section 2 or Section 3 of this Policy, as applicable, the Board for the Association may impose reasonable monetary fines against an Owner in accordance with the below schedule until the violation is cured if of a curable nature. The Board of Directors of the Association may adopt and modify from time to time a schedule of fines for various types of violations. Any fine levied by the Association is cumulative and secured by the lien established in Restrictions. A fine is also the personal obligation of the Owner.
 - <u>Age Restriction Violation</u>
 - <u>Nuisance violations</u> \circ trash cans visible from the street \circ hanging clothes outside \circ debris in front yard, etc. \circ noxious activity such as late night and excessively noisy parties \circ parking \circ signs \circ animals

• Landscaping violations:

 \circ overgrown lawn grasses \circ overgrown or excessive weeds \circ trees and/or vegetation in need of trimming, etc.

• <u>Maintenance violations</u> \circ Worn paint on siding and/or

trim

 \circ Fencing in need of completion, repair or re-staining \circ Roof in need of repair/shingle replacement \circ Siding or trim in need of replacement, etc.

• <u>Blatant violations</u> \circ Construction defaults and making modifications without approval as required by the Declaration

 \circ destruction or damage to Common Areas

Initial Fine Schedule:

- <u>Age Restriction Violation</u>- \$200.00 for each week the violation is not cured or reoccurs within 90 days from the latest notice of enforcement action. Said amount is intended to be reflective of 200% of the estimated rental rate for the property in question within the Subdivision as determined by the Board in its sole discretion. With knowledge of the actual rental rate for the property in question, the Board, in its sole discretion, may levy fines of 200% of the actual rental rate if the existing fine amount based on the estimated rental rate is lower than the actual rental rate of the property in question.
- <u>Nuisance violations</u> \$100.00 for each occurrence
- <u>Landscaping violations</u> **\$50** for each week the violation is not cured or reoccurs within 90 days from the latest notice of enforcement action
- <u>Maintenance violations</u> \$100 for each month the violation remains uncured
- <u>Uncurable violations, Blatant violations, or other violations:</u> \$100.00 to \$2,000.00 per occurrence or per month until cured as determined by the Board. In relation to destruction or damage to Common Areas, the fine will be in addition to the costs of repairing the Common Areas.

[SIGNATURE PAGE FOLLOWS]

The undersigned verifies the above policy was duly adopted.

ALADDIN VILLAS PROPERTY OWNER'S ASSOCIATION, INC.

	By:
	Name:
	Its: President
THE STATE OF TEXAS §	
COUNTY OF HIDALGO §	
This instrument was acknowledged before me on this day of,	
2024, by	, as President of Aladdin Villas Property Owner's Association, Inc.,
a Texas nonprofit corporation, on behalf of said corporation.	
Notary Public, State of Texas	