

EDGEWATER AT CEDAR CREEK LANDING HOMEOWNERS ASSOCIATION, INC.

AMENDED AND RESTATED COVENANT ENFORCEMENT AND FINING POLICY

WHEREAS, the Board of Directors of Edgewater at Cedar Creek Landing Homeowners Association, Inc. (the "Board") is the entity responsible for the operation of Edgewater at Cedar Creek Landing Homeowners Association, Inc. (the "Association"), pursuant to and in accordance with that certain Declaration of Covenants and Restrictions [for] Edgewater at Cedar Creek Landing, recorded in the Official Public Records of Kaufman County, Texas, including any amendments thereof or supplements thereto (collectively, the "Declaration") and the Amended Bylaws of Edgewater at Cedar Creek Landing Homeowners Association, Inc. including any amendments thereof or supplements thereto (the "Bylaws"); and

WHEREAS, pursuant to Article 5.15 of the Declaration the Association, acting by and through the Board, has the authority to enforce the provisions of the Declaration, the power to promulgate and enforce the provisions of the Declaration, including establishing and imposing reasonable monetary fines or penalties for the violation of the Declaration, the Bylaws, rules and regulations, or design/architectural guidelines (collectively, the "Governing Documents"); and

WHEREAS, the Board has authority pursuant to the Declaration and the Bylaws to determine, in its reasonable discretion, the manner in which violations of the Governing Documents are to be remedied; and

WHEREAS, the Board has and does establish rules, regulations and procedures for the enforcement of the restrictions contained in the Governing Documents and for the elimination of violations which may be found to exist within the Properties by revoking and replacing the Prior Fining Policies.

WHEREAS, in order to comply with the requirements of Sections 209.006 and 209.007 of the Texas Residential Property Owners Protection Act (the "Act"), the Board of Directors of the Association desires to promulgate the following policy establishing procedures for the enforcement of the Governing Documents and for the levying of fines against violating owners.

NOW THEREFORE, IT IS RESOLVED that the following rules, regulations and procedures relative to the operation of the Association are hereby established for the enforcement of violations of the Governing Documents and for the elimination of such violations found to exist on or about the Properties (hereinafter referred to as the "Enforcement Policy").

1. Exempted Actions/Remedies. This Enforcement Policy and the procedures herein do not apply if the Association files suit seeking a temporary restraining order or temporary injunctive relief, files suit to collect a regular or special assessment or foreclose under the

Association's lien, or is pursuing a self-help remedy. This Enforcement Policy and the procedures herein do not apply to collection of assessments and related costs and charges.

2. Generally. The steps and procedures contained in this Enforcement Policy serve as a general outline of the procedures to follow for enforcement of the covenants, conditions, restrictions and rules contained in the Governing Documents; provided, however, that this Enforcement Policy does not apply to collection of assessments and related costs and charges. The Association is not bound to follow the exact procedures in every enforcement matter except as required by the Governing Documents or the Act. The procedures in this Enforcement Policy are not intended to constitute a prerequisite or condition precedent to the Association's ability to pursue a remedy to enforce against any violation or to obtain any legal relief or remedy except as required by the Act.

3. Establishment of a Violation. Any condition, use, activity or improvement, including but not limited to, adding any additions, improvements and/or repairs of any kind or nature erected, placed or altered on any Lot which (i) requires the prior approval of the improvement by the Architectural Control Committee (the "ACC" as defined in the Declaration) and (ii) has not been first approved by the ACC, is deemed a "Violation" under this Enforcement Policy for all purposes. which does not comply with the provisions of the Governing Documents shall constitute a "Violation" under this Policy for all purposes. A Violation is considered a threat to public health or safety if the Violation could materially affect the physical health or safety of an ordinary resident. A Violation is considered incurable if the Violation has occurred but is not a continuous action or condition capable of being remedied by affirmative action. The following are examples of Violations considered incurable for purposes of this Policy:

- a. an act constituting a threat to health or safety, such as the keeping of a pet which endangers the health or safety of occupants of other Lots;
- b. a noise violation that is not ongoing; and
- c. property damage, including the removal or alteration of landscape.

4. 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 member of the Board, a member of the Architectural Control Committee (as defined by the Governing Documents), or a member of any other committee established by the Board for this purpose. A timely written report shall be prepared by the field observer for each Violation which will include the following information:

- a. Identification of the nature and description of the Violation(s).
- b. Identification by street address or legal description of the Lot on which the Violation exists.

c. Identification of the authority establishing that the subject improvements, modifications, conduct, conditions, etc. constitute a Violation.

d. Date of the verification observation and name of the person making such observation.

5. Courtesy Notice (Optional). Upon discovery of a Violation, the Board or its delegate may, but is not obligated to, forward to the Owner and/or Occupant of the Lot in question written notice, via regular first-class mail or via postcard, of the discovery of a Violation (the "Courtesy Notice"). If the Association has an e-mail address for the Owner or Occupant, a copy of the Courtesy Notice may also be sent by e-mail (in addition to regular mail). The violating Owner or Occupant will have ten (10) days from the date the Courtesy Notice is mailed or sent electronically to correct or eliminate the Violation. The Board or its delegate may, in lieu of this Courtesy Notice, proceed immediately to the notice set forth in Paragraph 6 below.

6. Notice of Violation. If the Violation is not corrected or eliminated within the time period specified in the Courtesy Notice or, if one is not sent, as soon as practicable after the field observation report is prepared, the Association will forward to the Owner of the Lot in question written notice of the Violation(s) by first class mail or personal delivery and by certified mail, return receipt requested (the "Notice of Violation"). A Notice of Violation need not be sent if the alleged violator has previously received a Notice of Violation relating to a similar Violation within six (6) months of the occurrence of the current Violation and was given a reasonable opportunity to cure the Violation. If the alleged violator was given notice and an opportunity to cure the similar Violation within the previous six (6) months, the Board may impose sanctions as authorized by the Governing Documents and/or this Enforcement Policy without notice to the Owner other than the Notice of Sanction. A Notice of Violation is also not required if the Act does not require it. The Notice of Violation, if required, will state the following:

a. The description of the Violation, including a reference to the rule or provision of the Governing Documents that is being violated and any property damage caused by the Owner, and state any amount due to the Association from the Owner.

b. The proposed sanction to be imposed, including, but not limited to, the amount of any fine, suspension of rights to use the Common Area, the use of self-help remedies or the amount claimed to be due from the owner for property damage.

c. That the Owner is entitled to a reasonable period to cure the Violation and avoid the fine or sanction if the Violation is of a curable nature and does not pose a threat to public health or safety, and a description of the action required to cure the Violation, as well as specify the date by which the owner must cure the violation.

d. A statement 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.

e. The recipient may, on or before thirty (30) days after the date of the Notice of Violation, deliver to the Association a written request for a hearing.

f. If a curable Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if the conduct which constitutes a Violation is committed again, or if a written request for a hearing is not made on or before thirty (30) days from the date of the Notice of Violation, that the sanctions or actions delineated in the Notice of Violation may be imposed or taken and that any attorney's fees and costs will be charged to the Owner.

If the hearing described in e. above is to be held before a committee or delegate of the Board, the Notice of Violation will state that the Owner has the right to appeal the decision of the committee or delegate to the Board.

7. Notice of Sanction. A formal notice of the sanction, fine or action to be imposed or taken, including the amount of any fine or the amount of any property damage (the "Notice of Sanction/Fine") will be sent by the Association to the Owner by regular first class mail or certified mail, where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated (or, in the case of a recurring Violation, the Violation has reoccurred) or the Association has not timely received a written request for a hearing.

8. Request for a Hearing. If the Owner timely requests a hearing, the hearing shall be held in executive session of the Board affording the alleged violator a reasonable opportunity to be heard. Such hearing shall be held no later than the 30th day after the date the Board receives the Owner's request for a hearing. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The notice of the hearing shall be sent no later than the 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. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board shall notify the Owner in writing of its action within ten (10) days after the hearing. The Board may, but shall not be obligated to, suspend any proposed sanction if the Violation is cured within the ten-day 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 Owner.

9. 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 this Enforcement Policy and/or the 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 and upon payment of a fee for same, the amount of which is set by the Board.

10. Corrective Action. Notwithstanding any other provisions contained herein to the contrary and pursuant to the authority granted in Article VI of the Declaration, where a Violation is determined or deemed determined to exist, the Board may undertake to cause the Violation to be corrected, removed or otherwise abated if the Board, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where the Board decides to initiate any such action, the following will apply:

a. The Board must give the Owner and any third party that is known to the Association to be directly affected by the proposed action prior written notice of undertaking of the action.

b. Costs incurred in correcting or eliminating the Violation will be referred to the Association to be recovered from the Owner.

c. The Association and its agents and contractors will not be liable to the Owner or any third party for trespass or any damages or costs alleged to arise by virtue of action taken under this Enforcement Policy and/or the Governing Documents.

11. 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 interests 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. Attorney's fees and all costs incurred by the Association in enforcing the Governing Documents and administering this Enforcement Policy shall become the personal obligation of the Owner.

12. Fines. Subject to the provisions of this Enforcement Policy and/or the Governing Documents, the imposition of fines will be as follows:

a. In the event the Violation is not cured the Violation within the time period specified in the Notice of Violation, an Initial Fine of \$100.00 will be assessed.

b. In the event the Violation is not cured within fourteen (14) calendar days after the date of the Initial Fine, a Second Fine of \$250.00 will be assessed.

c. In the event the Violation is not cured within fourteen (14) calendar days after the date of the Second Fine, a Third Fine of \$500.00 will be assessed.

d. In the event the Violation is not cured within fourteen (14) calendar days after the date of the Third Fine a Continuing Fine of \$500.00 will be assessed every 30 days until the violation has been cured.

e. Notwithstanding the fines addressed in subparagraphs a-d above, in the event an Owner commences a project, modification or change without first obtaining approval from the ACC, as the term is defined by the Governing Documents, a fine in the amount of \$500.00 will be assessed every thirty (30) days until the required application has been submitted to the ACC for approval. Fines will continue to be levied under this paragraph e. in the event the ACC denies the Owner's submission.

f. Imposition of fines will be in addition to and not exclusive of any other rights, remedies and recoveries of the Association as created by the Governing Documents or this Enforcement Policy. The Board of Directors may elect to establish a payment arrangement. The Board of Directors may elect to proceed to Small Claims Court prior to proceeding to District or County Court.

g. Fines are imposed against Lots and become the personal obligation of the Owners of such lots.

13. Notices. Unless otherwise provided in the Enforcement Policy, all notices required by this Enforcement Policy shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by United States Mail, first-class postage prepaid, to the Owner at the address which the Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, to the address of the Lot of the Owner.

a. Where the notice is directed by personal delivery, notice shall be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

b. Where the notice is placed into the care and custody of the United States Postal Service, notice shall be presumed to have been given, sent, delivered or received, as of the third (3rd) business day following the date of postmark of such notice bearing postage prepaid and the appropriate name and address as required herein unless otherwise shown by the recipient to have been received at a later date.

c. Where a day required for an action to be taken or a notice to be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday.

d. Where the Board has actual knowledge that an enforcement action would directly affect a third party (e.g. a tenant or a neighbor) or involves a Violation by a party other than the Owner, notices required under this Enforcement Policy may be given, if possible, to such third party in addition to the Owner. Notwithstanding any notice sent to a third party, the Owner remains the party responsible for compliance with the

requirements of the Declaration. The Board shall accept a response from any such third party only upon the written direction of the Owner of the Lot upon which the Violation exists.

e. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot has been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent.

f. Where an Owner transfers record title to a Lot at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner shall remain personally liable for all costs and fines under this Enforcement Policy. As soon as practical after receipt by the Association of a notice of a change in the record title to a Lot which is the subject of enforcement proceedings under this Enforcement Policy, the Board may begin enforcement proceedings against the new Owner in accordance with this Enforcement Policy. The new Owner shall be personally liable for all costs and fines under this Enforcement Policy which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this Enforcement Policy.

14. Cure of Violation During Enforcement. An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. Upon verification by written report to the Board and sent, where appropriate, to the Board that the Violation has been corrected or eliminated; the Violation will be deemed no longer to exist. The Owner will remain liable for all costs and fines under this Enforcement Policy, which costs and fines, if not paid upon demand therefore by Management, will be referred to the Board of Directors of the Association for collection.

15. Definitions. The definitions contained in the Governing Documents, including but not limited to, the Declaration and Bylaws, are hereby incorporated herein by reference.

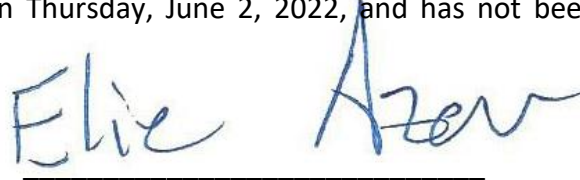
16. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Enforcement Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Enforcement Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Enforcement Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Enforcement Policy conflicts with the Declaration, the Declaration controls.

IT IS FURTHER RESOLVED that this Amended and Restated Covenant Enforcement and

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 Thursday, June 2, 2022, and has not been modified, rescinded or revoked.

DATE: 6/2/2022

A handwritten signature in blue ink that reads "Elie Azou". The signature is written in a cursive style. Below the signature is a horizontal line.

President