

SCENIC OAKS PROPERTY OWNERS ASSOCIATION, INC.
FINE POLICY

This Fine Policy of Scenic Oaks Property Owner Association, Inc. (the "Association") was duly adopted on the 7th day of SEPTEMBER, 2024, setting forth certain policies of the Association in connection with the management of the Association and the known as "Scenic Oaks Subdivision" as shown in subdivision plats for Units I, II, III, IV, V and VI recorded in the Deed and Plat Records of Bexar County, Texas and subject to the Declaration of Amended Covenants, Conditions, Restrictions, Reservations, and Easements of The Owners of Lots in the Scenic Oaks Subdivision, recorded in Volume 13450, Page 88 *et seq.*, of the Official Public Records of Real Property of Bexar County, Texas and the First Amendment of Declaration of Amended Covenants, Conditions, Restrictions, Reservations, and Easements of The Owners of Lots in the Scenic Oaks Subdivision, recorded in Volume 13821, Page 1574 *et seq.*, of the Official Public Records of Real Property of Bexar County, Texas; and all further amendments, annexations, supplements and restatements thereto ("Declaration"); the By-laws of Scenic Oaks Property Owners Association, Inc., a non-profit corporation (As Amended by the Membership on January 12, 2009), as recorded in Volume 17787, Page 2445 *et seq.*, of the Official Public Records of Real Property of Bexar County, Texas; and all amendments and restatements thereto ("Bylaws"); and all policies, rules, regulations, and guidelines duly adopted by the Association from time-to-time (collectively, "Governing Documents").

This Fine Policy is adopted pursuant to the powers granted to the Association by the Governing Documents enabling the Association to adopt policies, such as a fine policy and a suspension of privileges policy, for owners ("Owners"), as needed to aid in the enforcement of the terms of the Governing Documents. Any previously adopted policies or other Governing Documents setting forth requirements for the imposition of fines or the suspension of privileges by the Association for violations of the Governing Documents are of no further force or effect.

The adoption of this Fine Policy for the purposes stated herein is in compliance with the TEX. PROP. CODE § 202.006, requiring all property owners' associations to file all governing documents in the real property records of each county in which the property to which the governing documents relate is located. This Fine Policy shall become effective as of the date the Fine Policy is filed in the Official Public Records of Bexar County, Texas.

Capitalized terms contained herein shall have the definitions as set forth in the Declaration, as applicable.

1. Violation Policy and Penalty. Violation of any of the Governing Documents, as defined herein, as amended from time-to-time and any policies, rules, and regulations which may be adopted from time-to-time by an individual Owner, resident, or tenant shall result in the following actions and penalties:

A. Curable Violations:

For violations that are not a threat to public health or safety of an ordinary person, a warning will be issued in writing to the Owner and the violating resident or tenant, if known. The warning, which may be in the form of either a ticket, if applicable, or a letter, shall advise the Owner of the violation and the action required to cure the violation by a specified date, which shall not be less than ten (10) days from the date of the notice, determined by the Board of Directors or the Association's Architectural Review Authority ("ARA"), as defined by TEX. PROP. CODE § 209.00505 (also known as the Architectural Review Committee in the Declaration), and the Restrictions Committee, as applicable, in their sole discretion. Additionally, depending on the severity of the violation, the Association may elect to notify parents for violations by minors, suspend Owners' privileges, notify law enforcement, tow vehicles from private streets, if

applicable, and/or common areas, file criminal charges, seek civil penalties, assess fines, if permitted by the Association's Governing Documents, or pursue other remedies the Association deems appropriate. If the violation is not cured by the specified cure date contained in the first notice, a second notice requesting compliance within ten (10) days of the date of the notice or by a specified date determined by the Board of Directors or the ARA, as applicable, will be issued to the Owner in writing.

If the Owner fails to cure the violation as required by the date specified in the notice(s), the Association shall provide the Owner the statutory notice required under the Texas Residential Property Owners Protection Act, TEX. PROP. CODE § 209.006, as it may be amended from time-to-time. The statutory notice shall inform the Owner of Owner's right to cure the violation and avoid the fine or suspension of privileges. After the Owner has had a reasonable opportunity to cure and the Owner fails to do so, the Owner shall be fined in accordance with the terms herein commencing on the date of the due date contained in the statutory notice. The Owner shall be advised of Owner's right to a hearing under TEX. PROP. CODE § 209.007, as well as special rights or relief Owner may have under federal law if the Owner is serving on active military duty.

If the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months and commits another similar violation within the six (6) month period, the Association will provide the Owner a ten (10) day notice to cure the violation and should the Owner fail to do so, the Association may immediately assess a fine.

For the purposes herein, a violation is considered curable if the violation is a continuous action which can be remedied by affirmative action on the part of the violator. Examples of acts considered curable for purposes herein include, but are not limited to:

- a parking violation;
- a maintenance violation;
- failure to maintain landscaping;
- failure to abide by adopted policies;
- ongoing lighting or noise nuisance;
- the failure to construct improvements or modifications in accordance with the approved plans and specifications; and
- an ongoing noise violation such as a barking dog or loud or offensive music.

B. Uncurable Violation: For an uncurable violation, the Association shall not provide an Owner an opportunity to cure the violation before assessing a fine. If a fine is assessed by the Association, the Association shall provide notice to the Owner of the basis for the assessment of the fine, the fine amount, and the right to a hearing under TEX. PROP. CODE § 209.007.

For the purposes herein, a violation is considered uncurable if the violation has occurred but is not a continuous action or a condition capable of being remedied by affirmative action. In such cases, the non-repetition of a one-time violation or other violation that is not ongoing is not considered an adequate remedy. Examples of acts considered uncurable for purposes herein include, but are not limited to:

- shooting fireworks;
- an act constituting a threat to health or safety;
- a noise violation that is not ongoing;
- the failure to obtain architectural approval before the commencement of work;
- Common Area damage; and
- holding a garage sale or other event prohibited by a dedicatory instrument.

Notwithstanding the foregoing, the Association reserves the right to seek injunctive relief at any time, regardless of the provisions herein requiring notice for violations if the violation: constitutes a material danger to persons or property, will cause irreparable harm to persons or property, or is a nuisance as determined by the Association in its absolute sole discretion.

For the purposes herein, if distinctly different, multiple violations shall be separate violations for purposes of assessments of fines. If multiple violations occur on an Owner's Lot or Property, the calculation of the number of violations that have occurred shall be based on the number of violations per address and not by each individual residing or visiting at such address.

C. Assessment of Fines: Owners shall be subject to the fines set forth in Exhibit "1" attached hereto if the Owner fails to cure the initial violation after being sent the required statutory notice or for any subsequent similar violations. The terms and procedures set forth in this Fine Policy are an outline of the actions of the Association and/or its management company for the enforcement of the covenants, conditions, restrictions, policies and rules contained in the Governing Documents; provided however, the Association and/or its management company is not bound to follow the exact procedures in every enforcement matter except as required by the Governing Documents or the Texas Property Code. Compliance with the terms and procedures in every enforcement action is 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 Texas Property Code. As permitted by TEX. PROP. CODE § 209.006, the Board reserves the authority to levy a fine from the attached schedules of fines that may vary on a case-by-case basis depending on the facts, circumstances, and the severity of the violation. The Board of Directors, at its sole discretion, may increase or decrease the fines depending on relevant facts and history, for example, number of prior violations, severity of violations, multiple simultaneous violations, length of time to cure, cooperation of Owner, or any other applicable information.

2. Penalties Responsibility of Owner. All fines will be assessed to the Owner's account and will be payable to the Association within thirty (30) days of the date of billing. Fines shall be limited to a maximum of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) for each six (6) month period commencing as of the date of the discovery of the first violation which initiates the assessment of a fine for a specific violation. The limitations shall be exclusive of attorney's fees and costs incurred by the Association for enforcement.

3. Attorney's Fees. If the Association is compelled to retain an attorney for the collection of fines or the enforcement of the Governing Documents, the Owner shall be charged with all attorney's fees, costs, and expenses subject to the limitations of the Texas Residential Property Owners Protection Act, TEX. PROP. CODE § 209.006 and § 209.008, as it may be amended from time-to-time.

4. Non-Exclusive Remedies. The imposition of the monetary penalties provided herein shall not be construed as an exclusive remedy, and shall be in addition to all other rights and remedies to which the Association may otherwise be entitled including, without limitation: the filing of an Affidavit of Non-Compliance in the Official Public Records of Bexar County, Texas; towing, if applicable; suspension of Owner's privileges; and/or, the initiation of legal proceedings seeking injunctive relief and/or damages, attorney's fees, costs of court and all other remedies, at law or in equity, to which the Association may be entitled.

5. Violation by Resident, Tenant, or Agent. A violation by a resident, tenant, guest, or agent of the Owner shall be treated as a violation by the Owner of the Property. All monetary penalties shall be billed to the Owner.

6. Right to Hearing. An Owner which has received a statutory notice of a violation in accordance with TEX. PROP. CODE § 209.006 has a right, pursuant to TEX. PROP. CODE § 209.007, to request a hearing before the Board of Directors to discuss and verify facts and resolve matters in issue related to the violation, provided the Owner is entitled to an opportunity to cure the violation as provided for in TEX. PROP. CODE § 209.006(b)(2)(A). The right of an Owner to request a hearing to discuss a violation of the Governing Documents does not apply if:

- i. the Association files a lawsuit seeking a temporary restraining order or temporary injunctive relief or files a lawsuit that includes foreclosure as a cause of action; or
- ii. the temporary suspension of an Owner's right to use common area is the result of a violation that occurred in a common area and involved a significant and immediate risk of harm to others in the subdivision.

7. Appeal Process. The process of appeal for Owners entitled to a hearing as stated in Section 6 above shall be:

- i. On or before the thirtieth (30th) day after the date written notice of the violation is mailed to the Owner in accordance with TEX. PROP. CODE § 209.006, Owner shall submit a written request to the Association for a hearing. All requests for a hearing must be mailed, hand delivered or electronically delivered to the Association's address on the most recently filed management certificate. The Owner should verify receipt by Association if no response is received within a reasonable timeframe.
- ii. The Association shall hold a hearing not later than the thirtieth (30th) day after the date the Board receives the Owner's request for hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing.
- iii. Not later than ten (10) days before the Association holds a hearing for an enforcement action related to a violation of the Governing Documents, the Association shall provide the Owner with an "evidence" packet containing all documents, photographs, and communications relating to the matter the Association intends to introduce at the hearing. The evidence packet shall be provided by mail, hand delivery or electronic delivery. If the Association does not provide an evidence packet within the described timeframe, the Owner is entitled to an automatic fifteen (15) day postponement of the hearing.
- iv. The Board or Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties.
- v. The Board of Directors may elect to conduct the hearing at a regular or a special called meeting with notice to the membership in accordance with TEX. PROP. CODE § 209.0051, as amended.
- vi. If either party intends to make an audio recording of the hearing, notice of such intent shall be provided to the other party prior to the commencement of the hearing.
- vii. During the hearing, a member of the Board or the Association's designated representative shall first present the Association's case against the Owner. An

Owner or the Owner's designated representative is entitled to present the Owner's information and issues relevant to the appeal or dispute.

- viii. The Board of Directors shall issue its written decision on the Owner's appeal within fifteen (15) days of conducting the hearing. The written decision shall include the final decision and any further curative action to be taken by Owner, if any.

CERTIFICATE OF OFFICER

The undersigned certifies that the foregoing Fine Policy was duly approved and adopted by the Board of Directors of SCENIC OAKS PROPERTY OWNERS ASSOCIATION, INC., on the 9th day of SEPTEMBER, 2024, and that the undersigned has been authorized by the Board of Directors to execute and record this instrument. The undersigned further certifies that the foregoing Fine Policy constitutes a dedicatory instrument under TEX. PROP. CODE § 202.006 which applies to the operation of Scenic Oaks Units I, II, III, IV, V and VI, commonly known as Scenic Oaks Subdivision, a subdivision located in Bexar County, Texas, as hereinabove described.

Signed this 23 day of SEPTEMBER, 2024.

SCENIC OAKS PROPERTY OWNERS ASSOCIATION, INC.

By: David L. Schaffer
Name: DAVID L. SCHAFER
Title: President, Scenic Oaks Property Assoc.

Exhibit "1"
FINE SCHEDULE

Violation Types:

Architectural:	Fine Amount	
	Initial / Continuing	Non-Continuing/Uncurable Each Occurrence
Failure to submit application for Improvement prior to commencement of work (Declaration Article II Section 28)	N/A	\$250.00/Submit Application
Failure to construct Improvement according to submittal	N/A	\$250.00/Cure Violation
Completion of Construction Violation (Declaration Article II Section 6)	\$50.00/\$50.00 per inspection	N/A
Failure to comply with roofing regulations Section 16 e. of the Construction Rules and Regulations	N/A	\$250.00/Cure Violation
Detached Structures-failure to submit prior to construction Violation (Declaration Article II Section 9)	\$50.00/\$50.00 per inspection	N/A
Garbage and Refuse Disposal Violation (Declaration Article II Section 18)	\$50.00/\$50.00 per inspection	N/A
Doors and Windows	\$50.00/\$50.00 per inspection	N/A
Lights, Satellite TV Dishes and Antennas Violation (Declaration Article Section 16)	\$50.00/\$50.00 per inspection	N/A
Temporary Structures Violation (Declaration Article II Section 7)	\$50.00/\$50.00 per inspection	N/A
Obstructions Violation (Declaration Article II Section 15)	\$50.00/\$50.00 per Inspection	N/A
Foundation screening/painting, if applicable	\$50.00/\$50.00 per inspection	N/A
Violation of the recorded Pool Rules	\$50.00/\$50.00 per inspection	N/A
Violation of Security Measures Policy	\$50.00/\$50.00 per Inspection	N/A
Violation of Religious Display Policy	\$50.00/\$50.00 per inspection	N/A

Construction:	Fine Amount	
	Initial / Continuing	Non-Continuing/Uncurable Each Occurrence
Failure to comply with the recorded Construction Rules and Regulations		
On-site construction facilities (dumpster/port-a-potty, as required by the Construction Rules and Regulations)	\$50.00/\$50.00 per inspection	N/A

Street Cleaning	N/A	\$100.00 per occurrence/plus costs of street cleaning
Illegal dumping	N/A	\$100.00 per occurrence/cure violation
Concrete washouts	N/A	\$100.00 per occurrence/must remove concrete residue
Dumping construction materials in roadway	N/A	\$100.00 per occurrence

	Fine Amount	
Improvement Maintenance:	Initial / Continuing	Non-Continuing/Uncurable Each Occurrence
Exterior surfaces (fading, chipping, mold, disrepair, etc.)	\$50.00/\$50.00 per inspection	N/A
Non-compliant fence/gate (materials, color, condition, etc.) Violation of Declaration Article II Section 13	\$50.00/\$50.00 per inspection	N/A
Garage Door (faded, dented, disrepair, etc.)	\$50.00/\$50.00 per inspection	N/A

	Fine Amount	
Lot Maintenance:	Initial / Continuing	Non-Continuing/Uncurable Each Occurrence
Grass and weed control (mowing, edging, removal) Violation of Declaration Article II Section 23	\$50.00/\$50.00 per inspection	N/A
Shrubs and Trees Maintenance (trimming, removal, replacement)	\$50.00/\$50.00 per inspection	N/A
Visible stored building materials (Exempt: during construction)	\$50.00/\$50.00 per inspection	N/A
Tree Trimming Violation (Declaration Article II Section 1)	\$50.00/\$50.00 per inspection	
Signage Violation (Declaration Article II Section 3)	\$50.00/\$50.00 per inspection	N/A

	Fine Amount	
Fireworks and Firearms:	Initial / Continuing	Non-Continuing/Uncurable Each Occurrence
Unlawful Discharge of Fireworks in Violation of Declaration Article II Section 17	N/A	\$100.00/\$200.00/\$300.00
Unlawful Hunting/Discharge of Firearm Violation (Declaration Article II Section 19)	N/A	\$100.00/\$200.00/\$300.00

Miscellaneous:	Fine Amount	
	Initial / Continuing	Non-Continuing/Uncurable Each Occurrence
Parking Violation of Declaration Article II Section 8	\$50.00/\$50.00 per inspection	N/A
Inoperable Vehicle Violation of Declaration Article II Section 8	\$50.00/\$50.00 per inspection	N/A
Other Vehicles Violation of Declaration Article II Section 8	\$50.00/\$50.00 per inspection	N/A
Unlicensed Recreational Vehicles Violation of recorded Rules	\$50.00/\$50.00 per occurrence	
Animal Violation of Declaration Article II Section 20	\$50.00/\$50.00 per inspection	\$100.00/Cure Violation
Offensive Activity; Speeding; Burning; Fireworks Violation (Declaration Article II Section 17)	\$50.00/\$50.00 per inspection	\$125.00/Cure Violation
Common Area Violation	N/A	\$125.00/Cure Violation
Act constituting a threat to health and safety	N/A	\$250.00 to \$500.00 Discretion of Board depending on severity
Property damage to Common Area	N/A	\$250.00/Reimbursement of damages/costs of repair
Operating prohibited business from residence Violation (Declaration Article II Section 2)	\$125.00/\$50.00 per day	N/A
Short-Term Rental (if prohibited)	\$125.00/\$50.00 per day	N/A
Garage Sale Rules Violation	N/A	\$250.00/\$300.00/\$350.00

Uncategorized Violations:	Fine Amount	
	Initial / Continuing	Non-Continuing/Uncurable Each Occurrence
For violations not referenced in the above categories, the Board of Directors shall levy a reasonable fine of not more than Two Hundred and Fifty and No/100 Dollars (\$250.00) per violation based on the severity of the violation and the Owners' violation history. For continuing violations, the fines assessed shall be \$100.00 for initial fine and \$100.00 per inspection thereafter until cured.	\$50.00/\$50.00 per inspection	\$250.00

* Non-Continuing violation fine amounts reflect the first, second, third and continuing subsequent violations within six (6) months of a similar violation for which a statutory notice was provided.

** Fines shall be levied commencing as of the cure date required by the TEX. PROP. CODE §209.006 notice if violation is not cured.

***** Inspections shall occur not more than once per week and once fines commence for a violation, an additional fine shall be levied on each inspection date if the violation is not cured.**