



STATE OF TEXAS §

COUNTY OF TRAVIS §

AMENDED AND RESTATED VIOLATION POLICY
OF
COVERED BRIDGE PROPERTY OWNERS ASSOCIATION, INC.

Document reference. Reference is hereby made to that certain Policy for Deed Restriction Violations and that certain Policy of Fines for Violations of Rules and Damages to Property, filed as Exhibit A and Exhibit E, respectively, to that certain Covered Bridge Property Owners Association, Inc. Unanimous Consent of Directors in Lieu of Special Meeting, filed as Document No. 2005051525 in the Official Public Records of Travis County, Texas (cumulatively, the "**Prior Violation Policies**").

Reference is further made to that certain Master Declaration of Covenants, Conditions and Restrictions for Covered Bridge Subdivision in the City of Austin, Travis County, Texas, filed as Document No. 2002068499 in the Official Public Records of Travis County, Texas (together with any amendments or supplements filed of record, the "**Declaration**").

WHEREAS owners of residential lots subject to the Declaration are automatically made members of the Covered Bridge Property Owners Association, Inc. (the "**Association**");

WHEREAS Section 7.4 of the Declaration authorizes the Association to adopt and amend rules to govern the Association and its members, so long as same do not conflict with the Declaration;

WHEREAS the Association's board of directors (the "**Board**") is authorized to exercise the aforesaid rulemaking authority on behalf of the Association as provided under Section 7.3(a) of the Declaration; and

WHEREAS the Board, at a properly noticed and attended meeting, has voted to use this rulemaking authority to amend, restate and consolidate the Prior Violation Policies;

THEREFORE the Association, acting by and through its Board, has, and by these presents does, AMEND, RESTATE and CONSOLIDATE the Prior Violations Policies into a single Violations Policy, a true and accurate copy of which is attached hereto as Exhibit "A".

COVERED BRIDGE PROPERTY OWNERS ASSOCIATION, INC.
Acting by and through its Board of Directors

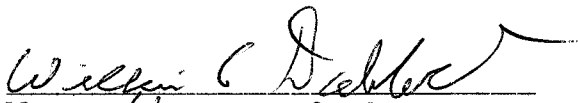

Name: WILLIAM DABBERT
Title: President

Exhibit "A": Violations Policy

[NOTARY BLOCK ON FOLLOWING PAGE]

Acknowledgement

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was executed before me on the 2nd day of July, 2009, by William Dabbert in the capacity stated above.

Chaney Cody
Notary Public, State of Texas

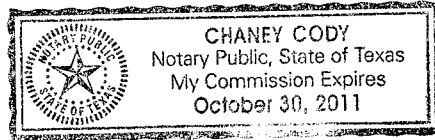


EXHIBIT "A"

VIOLATIONS POLICY
FOR
COVERED BRIDGE OWNERS ASSOCIATION, INC.

Note: The use of lots and common areas within the Covered Bridge subdivision is governed by the Master Declaration of Covenants, Conditions and Restrictions for Covered Bridge (the "**Declaration**"), the Association's Articles of Incorporation and Bylaws, and the rules, regulations and policies of the Association (the "**Rules**"). (These documents, along with any amendments, are referred to collectively as the "**Governing Documents**".) This Violations Policy has been adopted by the Board as part of its rulemaking authority and applies to all violations of the Governing Documents except a failure to pay assessments, which is instead governed by a separate Policy for Collection of Assessments. In some instances, this Violations Policy restates language or provisions located in the other Governing Documents. In such instances, a relevant cite is provided.

I. General

- A. **Enforcement remedies.** In the event that an Association Member, or his/her family member, guest, tenant, occupants, contractor or invitee commits a violation of the Governing Documents or damages Association property, the Association's Board of Directors may take one or more of the following actions against the Member:
- (1) **Fines.** Levy a reasonable monetary fine in accordance with this Violations Policy and State law.
 - (2) **Common area use.** Suspend or restrict the right of a Member or related third parties to use any recreational facilities owned, operated, or managed by the Association, including but not limited to the Amenities Center.
 - (3) **Damage charge.** Levy a charge against the Member for damage to Association property.
 - (4) **Legal action.** Bring a legal action against the owner for appropriate damages or legal relief.
- B. **Members are responsible for third parties.** The Members are responsible for ensuring that their family members, guests, tenants, occupants, contractors and invitees comply with the Governing Documents. If any such third party violates the Governing Documents, the Member is responsible for any related enforcement action to the same extent as the Member would be responsible had he/she personally committed the violation.
- C. **State law applies.** The enforcement of this Violations Policy shall comply with State law. Section 209 of the Texas Property Code includes requirements with regard to the content and delivery of violation notices, a limited right of owners to cure violations and avoid fines, and a limited right of owners to request a hearing before the Association's Board to discuss a violation. To the extent that this Violations Policy may conflict with State law, State law shall control.
- D. **Liability for legal fees.** The Member shall be liable for all attorney's fees and costs incurred by the Association incident to the levy and collection of fines, including appellate proceedings, subject to notice and timing requirements under Section 209 of the Texas Property Code.
- E. **Application of payments.** The Association may credit any payment received from a Member first to unpaid non-assessment charges, including but not limited to attorney's fees, late fees and interest

charges, fines, and damage charges, before crediting the payment against assessments, irrespective of any notations or requests by the Member to the contrary.

- F. **No waiver; cumulative remedies.** As further provided in Section 11.7(a) of the Declaration, the failure of the Association to enforce any provisions of the Governing Documents shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declarations, Bylaws, and Rules are cumulative and not exclusive.

II. Fines and General Fine Schedule

The Board has established a General Fine Schedule for uncorrected violations of the Governing Documents. These fines are in addition to other legal remedies available to the Association under this Violations Policy, the Governing Documents and State law. Typically, the Association will issue violation notices and fines according to the General Fine Schedule. However, the Board reserves the right to vary from this General Fines Schedule, including as to which notice will be sent and the amount of any fine, as it deems appropriate on a case-by-case basis, so long as such variance is approved unanimously by the Board.

First Violation -- warning letter. A Member is charged with a First Violation when neither the Member nor any person for whom the Member is responsible has committed the same or a similar violation at any prior point in time. In the event of a First Violation, a warning letter will be sent to the Member giving notice of the violation and requesting that it be cured by a certain date or, in the case of a violation that is a one-time event, requesting that it not be repeated. No fine will be assessed in conjunction with a warning letter.

Second Violation -- \$25.00 - \$100.00. A Member is charged with a Second Violation when the Member has already been charged with (i.e., held responsible for) a First Violation that is the same or a similar violation. In the event of a Second Violation, a fine of \$25.00 to \$100.00 will be levied. The Member shall be provided a reasonable opportunity to cure the violation and avoid the fine if (i) required by State law (i.e., if the First Violation occurred more than six months prior); or (ii) the Board, in its sole discretion, decides to grant the owner that opportunity.

Third Violation -- \$50.00 - \$200.00. A Member is charged with a Third Violation when the Member has already been charged with (i.e., held responsible for) a Second Violation that is the same or a similar violation. In the event of a Third Violation, a fine of \$50.00 to \$200.00 will be levied, and the Member will be warned that any continuation or repeat of the violation will subject the Member to increased fines and potential legal action by the Association.

Fourth Violation -- \$75.00 - \$300.00 and Legal Action. A Member is charged with an Fourth Violation when the Member has already been charged with (i.e., held responsible for) a Third Violation that is the same or a similar violation. In the event of a Fourth Violation, a fine of \$75.00 to \$300.00 will be levied and the issue will be turned over to an attorney for appropriate legal action, with all reasonable attorney's fees being charged to the owner.

III. Other Fine Provisions

- A. **Opportunity to cure and avoid fine.** As provided in Section 209 of the Texas Property Code, if a fine is levied against a Member, the Member must be given a reasonable period of time to cure the violation, and thereby to avoid having to pay the fine, unless the Member was given notice and

opportunity to cure a similar violation within the preceding six months. Given that the General Fine Schedule calls for initial warning letters (with no fines) that provide notice of the violation and an opportunity to cure, a subsequent violation (i.e., a Second Violation) occurring within six months will not trigger any legal right to cure the violation and avoid the fine. The Board may, however, as it deems appropriate, provide an opportunity to cure and avoid any fines, in spite of no legal obligation to do so. (Note: If a violation carrying a legal right to cure and avoid a fine is a one-time event -- i.e., by its nature, not on-going or repeating, and thereby not technically "curable" -- then the notice should provide that the fine is suspended unless and until the same or a similar violation is committed by the Member or someone for whom the Member is responsible.)

- B. **Hearings.** Owners shall be notified of their right, if any, to request a hearing before the Board to discuss and verify facts concerning a violation and fine, as further provided in Section 209 of the Texas Property Code. Such a request must be submitted in writing to the Board care of the property manager within the timeframe provided by state law (i.e., within 30 days of receipt of the notice of violation).
- C. **Due dates.** Fines and/or property damage charges are due and payable on the date provided in the notice, on the date by which a hearing must be requested, or upon the vote of the Board to uphold any levied fine or charges, whichever is later.
- D. **Ongoing violations.** For ongoing violations, each day, week, or other stated period of time that the violation continues, may be treated as a repeat violation subject to an additional fine.

IV. Suspensions and Restriction of the Right to use Recreational Facilities

- A. **General.** The right of a Member, his family members, tenants, guests or invitees to use recreational facilities owned, managed, or operated by the Association may be suspended or restricted in response to a violation of the Governing Documents. This enforcement remedy shall typically be used in the event that such person has violated restrictions related to the use of such facilities.
- B. **Length of suspension/restriction.** A suspension or restriction of recreational facility usage shall generally be levied in accordance with the following schedule, subject to the right of the Board to vary such length with the unanimous consent of the Board:
 - (i) First Violation: Up to 30 days;
 - (ii) Second Violation: Up to 60 additional days;
 - (iii) Third Violation: Up to an additional 180 days.

V. Conduct of Hearings before the Board

- A. **General.** Section 209 of the Texas Property Code provides Members the right to request a hearing before the Board within 30 days of receiving a violation notice to discuss a violation and any related fine or suspension action if the Member has not committed or been held responsible for a similar violation in the preceding six months.
- B. **Hearing procedures.** Hearings before the Board to appeal a fine or suspension action shall be conducted as follows:

1. Members shall have the right to present evidence, give testimony, have witnesses present information, and make statements relevant to the violation under consideration.
2. The Board will serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date.
3. The Board may impose rules of conduct and limit testimony and evidence as may be appropriate to ensure fairness, maintain order, and move forward the hearing to conclusion.
4. Unless determined by the Board that the Association is at risk or upon request of the Member responsible for the violation, all hearings shall be open to attendance by all Members. However, only the Member responsible for the violation, witnesses and Board members are allowed to speak during the hearing. The Board may limit attendance to on a first come basis if space is limited.
5. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, not to exceed 15 days, render its written findings and decision.

VI. Procedures for Issuing Violation Letters

- A. Violation letters shall be issued and processed in accordance with Section 209 of the Texas Property Code, including requirements related to the content and means of delivery of such letters.

After recording, please return to:
Niemann & Heyer, L.L.P.
Attorneys At Law
Westgate Building, Suite 313
1122 Colorado Street
Austin, Texas 78701

Fileserver:CLIENTS:CoveredBridge:ViolPolicyRestated5-09.doc

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2009 Jul 23 09:55 AM 2009124120

PEREZTA \$40.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS