



AFTER RECORDING RETURN TO:
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AUSTIN, TEXAS 78701
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FOUNDERS RIDGE

SECOND SUPPLEMENT TO THE COMMUNITY MANUAL

[FINE AND ENFORCEMENT POLICY - AMENDED]

Cross-reference to (i) Declaration of Covenants, Conditions and Restrictions for Founders Ridge, recorded as Document No. 2016-16001751, Official Public Records of Hays County, Texas; and (ii) Founders Ridge Community Manual, recorded as Document No. 2016-16002027, Official Public Records of Hays County, Texas. These policies and rules amend and supplement all previously adopted dedicatory instruments, governing documents, rules, and resolutions. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Declaration.

FOUNDERS RIDGE RESIDENTIAL COMMUNITY, INC.
FINE AND ENFORCEMENT POLICY

1. Background. Founders Ridge is subject to that certain Declaration of Covenants, Conditions and Restrictions for Founders Ridge, recorded in the Official Public Records of Hays County, Texas, as the same may be amended from time to time ("**Declaration**"). In accordance with the Declaration, Founders Ridge Residential Community, Inc., a Texas non-profit corporation (the "**Association**") was created to administer the terms and provisions of the Declaration. Unless the Declaration or applicable law expressly provides otherwise, the Association acts through a majority of its board of directors (the "**Board**"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, Certificate, Bylaws, Community Manual, and any rules and regulations promulgated by the Association pursuant to the Declaration, as adopted and amended from time to time (collectively, the "**Governing Documents**"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Declaration and the obligations of the Owners to compensate the Association for costs incurred by the Association for enforcing violations of the Governing Documents.

The Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within the Association in compliance with the Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "**Act**"). To the extent any provision within this policy is in conflict with the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Declaration and the Governing Documents.

2. Policy. The Association uses fines to discourage violations of the Governing Documents, and to encourage compliance when a violation occurs – not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Governing Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.
3. Owner's Liability. An Owner is liable for fines levied by the Association for violations of the Governing Documents by the Owner and the relatives, guests, employees, and agents of the Owner and residents. Regardless of who commits the violation, the Association may direct all communications regarding the violation to the Owner.
4. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Governing Documents. If the Association allows fines to accumulate, the Association may establish a maximum amount for a particular fine, at which point the total fine will be capped.
5. Violation Notice. Except as set forth in below, before levying a fine, the Association will give (i) a written violation notice via certified mail to the Owner (at the Owner's last known address as

shown in the Association records) (the "**Violation Notice**") and (ii) an opportunity to be heard, if requested by the Owner. The Association's Violation Notice will contain the following items: (1) the date the Violation Notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the Individual Assessment, suspension action, or other charge; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid the fine or suspension; (5) the amount of the possible fine; (6) a statement that no later than the thirtieth (30th) day after the date the notice was mailed, the Owner may request a hearing pursuant to Section 209.007 of the Texas Property Code; and (7) 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 *et seq.*), if the Owner is serving on active military duty. The Violation Notice sent out pursuant to this paragraph is further subject to the following:

First Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the Violation Notice will state those items set out above, along with a reasonable timeframe by which the violation must be cured to avoid the fine. The Violation Notice must state that any future violation of the same rule may result in the levy of a fine. A fine pursuant to the Schedule of Fines may be levied if an Owner does not cure the violation within the timeframe set forth in the notice.

Uncurable Violation/Violation of Public Health or Safety. If the violation is of an uncurable nature or poses a threat to public health or safety (as exemplified in Section 209.006 of the Texas Property Code), then the Violation Notice shall state those items set out in (1), (2), (3), (5), (6), and (7) above, and the Association shall have the right to exercise any enforcement remedy afforded to it under the Governing Documents, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*.

Repeat Violation without Attempt to Cure. If the Owner has been given a Violation Notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but commits the violation again, then the Owner shall not be entitled to an additional Violation Notice or a hearing pursuant to Section 209.007 of the Texas Property Code, and the Association shall have the right to exercise any enforcement remedy afforded to it under the Governing Documents, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*. After an Owner has been provided a Violation Notice as set forth herein and assessed fines in the amounts set forth in the *Schedule of Fines*, if the Owner has never cured the violation in response to any Violation Notices sent or any fines levied, then the Board, in its sole discretion, may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board.

6. **Violation Hearing.** If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to the Association for a hearing before the Board or a committee appointed by the Board to discuss and verify the facts and resolve the matter. To request a hearing, the Owner must submit a written request (the "**Request**") to the Association's manager (or the Board if there is no manager) within thirty (30) days after receiving the Violation Notice. The Association must then hold the hearing requested no later than thirty (30) days after the Board

receives the Request. The Board must notify the Owner of the date, time, and place of the hearing at least (10) days before the date of the hearing. The hearing notice communication should include documents, photographs, and communications that the Association intends to introduce at the hearing. If the Association fails to provide the information at least ten (10) days before the hearing, the owner is entitled to an automatic fifteen (15) day postponement. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. The Board or the Owner may request a court 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. Notwithstanding the foregoing, the Association may exercise its other rights and remedies as set forth in Section 209.007(d) and (e) of the Texas Property Code. During the hearing, a member of the Board, or the Association's designated representative, shall first present information about the matter. Next, the Owner, or the Owner's designated representative, shall be entitled to present the Owner's information and issues relevant to the appeal or dispute. The Owner shall attend the hearing, but may be represented by another person (i.e., attorney) during the hearing, upon advance written notice to the Board. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Board. A form hearing agenda is attached hereto as Exhibit A.

7. Due Date. Fine and/or damage charges are due immediately if the violation is incurable or poses a threat to public health or safety. If the violation is curable, the fine and/or damage charges are due immediately after the later of: (1) the date that the cure period set out in the first Violation Notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Association, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.
8. Lien Created. The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot is, together with interest as permitted by the Declaration, and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Association pursuant to the Declaration. The fine and/or damage charge will be considered an Assessment as permitted by the Declaration and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to the Declaration.
9. Levy of Fine. Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices. The Association may not foreclose its assessment lien on a debt consisting solely of fines.
11. Amendment of Policy. This policy may be amended by the Board.

Schedule of Fines

The Board has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Governing Documents. The Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Board also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

GENERAL FINES‡:

New Violation: Initial Notice of Violation	Fine Amount: Waived – However, the letter may note the fine that will be assessed if the matter is not cured.
Repeat or Continuing Violation (the 1st Notice is the first notice sent AFTER the initial notice of violation)	Fine Amount: 1st Notice \$50.00 2nd Notice \$100.00 3rd Notice \$150.00 4th Notice \$200.00
Continuing Violation: Continuing Violation Notice (optional)	Amount TBD

‡ The Board reserves the right to adjust these fine amounts based on the severity and/or frequency of the violation.

SPECIFIC DAILY FINES FOR CERTAIN CONTINUING VIOLATIONS:

Violation	Fine Amount
Force Mow	\$250.00
Unauthorized Improvements (Failure to Secure Advance, Written Architectural Committee/Reviewer Approval)	\$500.00

EXHIBIT A

PROCEDURE FOR THE HEARING BEFORE THE BOARD

I. Introduction

Association Rep: The Board of Directors has convened to conduct a hearing at the written request of an owner.

This hearing is being conducted as required by Section 209.007 of the Texas Property Code, and is an opportunity for the Association and the owner to discuss and verify facts and attempt to resolve the matter at issue. If no resolution is reached during the hearing, the Association will communicate its decision in writing within fifteen (15) days.

II. Presentation of Facts

Association Rep: This portion of the hearing is to permit a representative of the Association the opportunity to describe the violation and to present any information the Association wishes to offer. After the Association's representative has finished the presentation, the owner or any representative will be given the opportunity to present information and issues relevant to the appeal or dispute.

[Presentations]

III. Discussion

Association Rep: This portion of the hearing is to permit the Board and the owner to discuss matters relevant to the violation.

IV. Resolution

Association Rep: [Announce any agreement or resolution or state that the Board will take the matter under advisement]

V. Adjournment

Association Rep: At this time the hearing is adjourned.

EXECUTED to be effective as of the date below.

**FOUNDERS RIDGE RESIDENTIAL
COMMUNITY, INC.,**

a Texas non-profit corporation

By: Trish Hardy

Name: Trish Hardy

Title: President

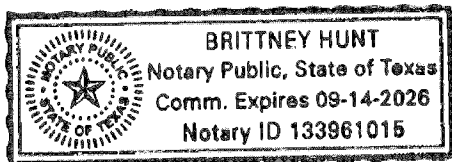
THE STATE OF TEXAS §

COUNTY OF Hays §

This instrument was acknowledged before me this 8th day of December, 2022,
by Trish Hardy as President of the Founders Ridge
Residential Community, Inc., a Texas non-profit corporation, on behalf of said entity.

(SEAL)

BH
Notary Public Signature



**THE STATE OF TEXAS
COUNTY OF HAYS**

I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

23003679 BYLAWS
02/06/2023 09:33:43 AM Total Fees: \$50.00

Elaine H. Cárdenas, MBA, PhD, County Clerk
Hays County, Texas

