

COST OF ENFORCEMENT POLICY

(Effective November 15, 2013)

1. Any capitalized term used in this Cost of Enforcement Policy (this "Policy") and not otherwise defined herein shall have the meaning ascribed to such term in the Amended and Restated Flying L Ranch Subdivision Declaration of Restrictive Covenants.
2. The Declaration together with the Bylaws of the Association and all other rules and regulations of the Association, if any, are referred to herein as the "Covenants."
3. **Policy.** The Association wishes to discourage violations of the covenants, to encourage compliance when a violation occurs and reimburse the association for any costs incurred for enforcement of the covenants—not punish violators or generate revenue for the association.
4. **Owner's liability.** An Owner is liable for any cost of enforcement levied by the association for violations of the covenants by the owner and the relatives, guests, employees, and agents of the owner and residents. Regardless of who performs the violation, the association will direct its communications to the Owner.
5. **Violation Notice.** Before levying any enforcement costs against the Owner, the Association will give the Owner a written violation notice and an opportunity to be heard. This requirement may not be waived. The Association's written violation notice will contain the following items. (1) the date the violation notice is prepared or mailed; (2) a description of the violation; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the amount of any costs to be imposed by the Association for the violation; (6) a statement that not later than the thirtieth (30th) day after the date of the violation notice, the Owner may request a hearing before the Board to contest any cost of enforcement to be imposed; and (7) the date the costs of enforcement attaches or begins accruing, subject to the following:
 - a. **New Violation.** If the Owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months, the notice will state a specific date by which the violation must be cured to avoid the cost of enforcement, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy against the Owner of any cost of enforcement.
 - b. **Repeat Violation.** In the case of a repeat violation, the notice will state that, because the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months, all costs of enforcement imposed shall attach from the date of the violation notice.
6. **Violation Hearing.** An Owner may request, in writing, a hearing by the Board to contest any cost of enforcement which is to be or which has been levied against the Owner by the Association. To request a hearing before the Board, the Owner must submit a written

request to the Association's secretary or Board within thirty (30) days after the date of the violation notice. Within fifteen (15) days after Owner's request for a hearing, the Association will give the Owner at least fifteen (15) days' notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of an imposed enforcement cost. By request of the owner, the hearing will be held in an open or closed session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing Owner's intent to make an audio recording of the hearing, otherwise no audio or video recording of the hearing may be made. The minutes of the hearing must contain a statement of the results of the hearing and the cost of enforcement, if any, to be imposed. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied.

7. **Levy of Cost of Enforcement.** Within thirty (30) days after levying the cost of enforcement, the Board must give the Owner notice of the levied cost of enforcement. If the cost of enforcement is levied at the hearing at which the Owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the Owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the Owner periodic written notices of an accruing cost of enforcement or the application of an Owner's payments to reduce the levied cost of enforcement. The periodic notices may be in the form of monthly statements or delinquency notices.
8. **Amount.** The Association may set cost of enforcement amounts on a case by case basis, provided the cost of enforcement is reasonable in light of the nature, frequency, and effects of the violation and the costs incurred by the Association in addressing the particular violation of the covenants. The Association may establish a schedule of the cost of enforcement to be imposed for certain types of violations. If circumstances warrant a variance from the schedule, the board will document the reasons for the variance in the minutes of the meeting. The amount and cumulative total of any cost of enforcement to be imposed must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provisions of the covenants. If the Association allows any cost of enforcement imposed to accumulate, it will establish a maximum amount for any particular cost of enforcement, at which point the total cost of enforcement will be capped.
9. **General Schedule.** The Board has adopted the following general schedule of the cost of enforcement to be imposed by the association for a violation of the covenants. Also, the Board reserves the right to set any cost of enforcement amount on a case by case basis, provided the cost of enforcement is reasonable in light of the nature, frequency, and effects of the violation:

SCHEDULE OF COST OF ENFORCEMENT

NUMBER of VIOLATIONS in a 6 MONTH PERIOD: COST OF ENFORCEMENT AMOUNT:

1 ST VIOLATION	WARNING
2 ND VIOLATION	\$100.00
3 RD VIOLATION (additional)	\$200.00
4 TH VIOLATION (additional)	\$300.00

10. **Type of Levy.** If the violation is ongoing or continuous, a cost of enforcement may be levied on a periodic basis (such as daily, monthly, or quarterly) to be determined by the board, beginning on the date the cost of enforcement attaches or begins accruing. If the violation is not ongoing, but is instead sporadic or periodic, the cost of enforcement may be levied on a per occurrence basis.
11. **Collection of Cost of Enforcement.** The Association is not entitled to collect a Cost of Enforcement from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of cost of enforcement amounts. The Association may not charge interest or late fees for any unpaid cost of enforcement.
12. **Amendment of Policy.** This Policy may be revoked or amended from time to time by the Board. This Policy will remain effective until ten (10) days after the Association delivers to an Owner of each Lot notice of amendment or revocation of this Policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

This policy is effective upon recordation in the Public Records of Bandera County, Texas, and shall super cede any policy regarding cost of enforcement which may have previously been in effect.

Approved and adopted by the Board on this 10th day of September, 2013.

John Simmons, President
Flying L Ranch Property Owners' Association, Inc.

STATE OF TEXAS §

COUNTY OF BANDERA §

Before me, the undersigned authority, on this day personally appeared _____, President of the Flying L Ranch Property Owners Association, Inc., a Texas non-profit corporation, known to be the person and office whose name is subscribed to the foregoing instrument and acknowledged to me that he had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this _____day of _____, 2013.

Notary Public, State of Texas

Printed Name

My commission expires:_____