

**SUNDOWN RANCH OWNERS ASSOCIATION, INC., a
Texas non-profit corporation**

By: David B. Helm
Its: President

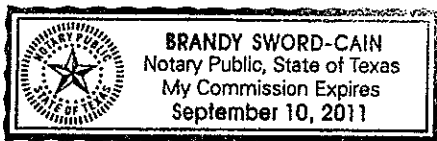
ACKNOWLEDGMENT

STATE OF TEXAS :
:
COUNTY OF DENTON :

BEFORE ME, the undersigned authority, on this day personally appeared David LeVack
President of Sundown Ranch Owners Association, Inc.,
known to me to be the person whose name is subscribed to the foregoing instrument and
acknowledged to me that (s)he executed the same for the purposes and consideration therein
expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 27 day of December,
2010.

Brandy Sword-Cain
Notary Public, State of Texas
September 10, 2011
My Commission Expires



AFTER RECORDING, RETURN TO:
Riddle & Williams, P.C.
3710 Rawlins Street, Suite 1400
Dallas, Texas 75219

[g/notice.ded/amended.sundownranch](#)

EXHIBIT "1"

Covenant Enforcement and Fining Policy

THE SUNDOWN RANCH HOMEOWNERS ASSOCIATION, INC.

COVENANT ENFORCEMENT AND FINING POLICY

WHEREAS, the Board of Directors (the "Board") of The Sundown Ranch Homeowners Association, Inc., (the "Association") finds there is a need to establish orderly procedures for the enforcement of the restrictive covenants set forth in the Declaration of Restrictions, Covenants and Conditions of The Sundown Ranch Homeowners Association, Inc., as amended from time to time (the "Declaration") and for the levying of fines against violation owners.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the enforcement of the restrictive covenants of the Declaration and for the elimination of violations of such provisions found to exist in, on and about the lots within The Sundown Ranch Homeowners Association, Inc., and the same are to be known as the "Covenant Enforcement and Fining Policy" (to be referred to herein as the "Enforcement Policy") of the Association in the discharge of its responsibilities for determination and enforcement of remedies for violations within The Sundown Ranch.

1. Establishment of Violation. Any condition, use, activity or improvement which does not comply with the provisions of the Declaration, Bylaws or the rules and regulations and Architectural Control Committee Guidelines of the Association, shall constitute a "violation" under this Policy for all purposes.

2. 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, or a member of any 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 and legal description, if available, of the Affected Lot on which the Violation exists.
- c. Date of the verification observation and name of person making such observation.

At the same time that the field observation report is prepared, the Board or its delegate may forward to the Owner of the Affected Lot in question written notice via regular first-class mail or via postcard of the discovery of a Violation(s) (the "Courtesy Notice"). The Owner will have at least ten (10) days from the date of the Courtesy Notice to correct or eliminate the Violation(s). The Board or its delegate may, in lieu of this notice, proceed immediately to the notice set forth in Paragraph 3 below.

3. Notice of Violation. If the Violation is not corrected or eliminated within the time period specified in the Courtesy Notice, or if the Board or its delegate deem it appropriate to proceed without the Courtesy Notice, a formal notice of the Violation and the sanction to be imposed, including the amount of any fine or the amount of any property damage, (the "Final Notice of Violation"). A Notice of Violation is not required if the alleged violator received a Notice of Violation relating to a similar Violation within six (6) months of the current

Violation and was given a reasonable opportunity to cure the prior Violation. In such event, the board may impose sanctions as authorized by the Declaration and/or this Enforcement Policy without notice to the Owner other than this Notice of Fine described in Paragraph 8 below. The Notice of Violation, if required, will state the following:

- a. The nature, description and location of the Violation, including any property damage caused by the Owner.
- b. The authority for establishing the Violation, including the authority for recovering property damages caused by the Owner.
- c. The proposed sanction to be imposed, including the amount of any fine or the amount claimed to be due from the owner for property damage.
- d. If the Violation is corrected or eliminated within a reasonable time after the Owner's receipt of the Notice of Violation that a fine will not be assessed and that no further action will be taken.
- e. The recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing.
- f. If the Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if a written request for a hearing is not made on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions delineated in the Notice of Violation may be imposed and that any attorney's fees and costs will be charged to the Owner.
- g. If a hearing is timely requested and is held before a delegate of the Board, that the Owner may appeal the decision of the delegate to the Board.

4. **Request for a Hearing.** If the Owner requests a hearing, the hearing shall be held in executive session of the Board or its delegate 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. Prior to the effectiveness of any sanction hereunder, proof of proper notice of the hearing shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, agent or delegate who delivered such notice. 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 Association 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 and the sanction, if any, imposed by the Board or its delegate. The Association 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.

5. **Appeal.** Following a hearing before a delegate of the Board, the Owner shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the manager, president or secretary of the Association within ten (10) days after the date of the Association's written notice to the Owner of the results of the hearing. Any hearing before the Board shall be held in the same manner as provided in Paragraph 4 for hearings before a delegate of the Board.

6. **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 Affected Lot Owner may be come liable under this Enforcement Policy and/or the Declaration). 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).

7. **Corrective Action.** Notwithstanding any other provision contained herein to the contrary, 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:

8. **Fines.** Subject to the provision of this Enforcement Policy and/or the Governing Documents, the imposition of fines will be on the following basis:

- a. In the event that the Owner has not cured the violation within thirty (30) days of the Notice of Violation, has not made a timely written request for a hearing, or subsequent hearing the Board decided a fine was warranted, the Board of Directors may impose a fine up to the amount of \$100.00 against the Owner and the Lot. In the event that the Board of Directors imposes a fine against an Owner and a Lot, the Board or its delegate will send a formal notice of the imposition of a fine (the "Notice of Fine") to the Owner. The Notice of Fine will be given either by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate. Any and all fines levied shall become a part of the Owner's assessment obligation and a lien against the Lot.
- b. If the violation is still not corrected or cured within fourteen (14) days from the date of the Notice of Fine, then the Board may impose a second fine up to the amount of \$200.00 against the Owner and the Lot. In the event the Board imposes a second fine against the Owner and the Lot; it shall so notify the Owner in writing, which notice shall be given by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegate.
- c. In the event that the violation is not cured within fourteen (14) days from the date of the notice of the second fine, the board may impose a third fine up to the amount of \$500.00 against the Owner and the Lot. The Board shall give notice to the Owner of the imposition of the third fine by written notice, which notice shall be given by personal delivery or by certified mail, return receipt requested, at the option of the Board or its delegates.
- d. In the event that the violation has not been cured within fourteen (14) days from the date of the notice of the third fine, then the Board may impose a per diem fine against the Owner and the Lot in any amount deemed reasonable by the Board of Directors.

9. **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 Affected 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) calendar day following the date of postmark of such notice bearing postage prepaid and the appropriate name and addressed 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.

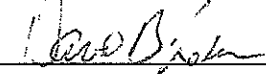
- d. Where the Board has actual knowledge that an enforcement action would directly affect a third party (e.g. a tenant or a neighbor) or involves a Violation by a party other than the Owner, notices required under this Enforcement Policy may be given, if possible, to such third party in addition to 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 Affected Lot upon which the Violation exists.
- e. Where the interests of an Owner in an Affected Lot have been handled by a representation or agent of such Owner or where an Owner has otherwise acted so as to put the Association on written notice that its interest in an Affected 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 an Affected Lot at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner still 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 change in the record title to an Affected 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 the 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.

10. **Cure of Violation During Enforcement.** An Owner may correct or eliminate a Violation at any time during the pendency of any procedures 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 to 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.

11. **Definitions.** The definitions contained in the Declaration and Bylaws are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED THAT THIS Covenant Enforcement and Fining Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

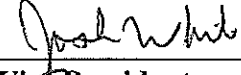
BOARD OF DIRECTORS:



President

12/27/10

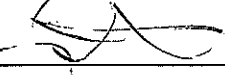
Date



Vice President

12/27/10

Date



Secretary

12/27/10

Date