

**CERTIFICATE OF RATIFICATION AND
PROMULGATION OF COMMUNITY ASSOCIATION
VIOLATION ENFORCEMENT POLICY FOR
THE LAKE FOREST COMMUNITY ASSOCIATION, INC.**

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

WHEREAS, the Board of Directors of The Lake Forest Community Association, Inc., (the “*Board*”) is the entity responsible for the operation of The Lake Forest Community Association, Inc. (the “*Association*”), pursuant to and in accordance with that certain Second Amended and Restated Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens on and for the Lake Forest Addition, recorded as Instrument No. 200503534626 in the Official Public Records of Dallas County, Texas (the “*Lake Forest Declaration*”) and the Amended and Restated Bylaws of the Association and any and all amendments thereto (the “*Bylaws*”); and

WHEREAS, the Lake Forest Declaration affects certain parcels or tracts of real property in the City of Dallas, County of Dallas, State of Texas (the “*Existing Properties*”); and

WHEREAS, the Board has the authority to enforce the provisions of the Lake Forest Declaration pursuant to Article VI, Section 6.2 of the Lake Forest Declaration and Article VII, Section 7.2 of the Bylaws and to enforce the decisions of the Residential Architectural Review Committee (the “*RARC*”); and

WHEREAS, the Board has authority pursuant to the Lake Forest Declaration and the Bylaws to determine, in its reasonable discretion, the manner in which violations of the Lake Forest Declaration, the Bylaws, the Lake Forest Design Guidelines promulgated pursuant to Article VIII of the Lake Forest Declaration and the Rules and Regulations of Lake Forest (collectively, the “*Lake Forest Governing Documents*”) are to be remedied and enforced; and

WHEREAS, the capitalized terms which are used herein, but not defined, shall have the same meaning given to such terms in the Lake Forest Declaration.

WHEREAS, the Board has authority to determine the procedures by which “due process” matters are observed, including notifying Owners of violations, imposing fines, and providing Owners a right to request a hearing as provided in Sections 209.006 and 209.007 of the Texas Property Code, as amended; and

WHEREAS, the Board has and does hereby find the need to establish procedures for the enforcement of the Lake Forest Governing Documents and for the elimination of violations which may be found to exist within all property subject to the Lake Forest Declaration with the exception of the Office Tract (hereinafter referred to as the “*Property*”), and

WHEREAS, the Board, at a regularly scheduled meeting of the Board held on July 13, 2009, at which a quorum was present, voted to approve the following Certificate of Ratification and Promulgation of Community Association Violation Enforcement Policy for The Lake Forest Community Association, Inc.; and

WHEREAS, the Board acknowledges that the terms and conditions contained herein shall not apply to the Office Tract.

NOW THEREFORE, IT IS RESOLVED that the following procedures and practices are hereby established for the enforcement of violations of the restrictions contained in the Lake Forest Governing Documents, and for the elimination of violations of such provisions found to exist in, on or about the Property (hereinafter referred to as "Enforcement Policy".)

1. Application. This Enforcement Policy and the rights and remedies conferred herein shall apply exclusively to violations of the Lake Forest Governing Documents existing on Residential Lots and the Common Properties within the Property.

2. Establishment of a Violation.

(a) Failure to Obtain Prior Approval. Any building, structure, fence, wall or improvement of any kind or nature erected, placed or altered on any Residential Lot within the Existing Properties which has not been first approved by the RARC, is deemed a "Violation" under this Enforcement Policy for all purposes (as used in this Enforcement Policy, the term "Violation" refers to a single Violation or multiple Violations).

(b) Failure to Abide by Protective Covenants or Design Guidelines. Any construction, alteration or modification which does not in all respects conform to that which has been so approved by the RARC or any activity or condition allowed to continue or exist on any Residential Lot or relate to the use of the Common Properties that is in direct violation of the Lake Forest Governing Documents is also deemed a "Violation" under this Enforcement Policy for all purposes.

3. Notification and Hearing Provisions for Common Area Related Violations.

(a) Notice of Violation Prior to Enforcement Action. Upon verification by the management staff of the Association ("Management") of the existence of a Violation on or related to the use of the Common Area, Management shall send via certified mail, return receipt requested, to the Owner a written notice of violation (the "Notice of Violation Prior to Enforcement Action"). The Notice of Violation Prior to Enforcement Action shall inform the Owner of the following:

- (i) The nature, description and location of the Violation that is the basis for the suspension action, charge or fine and state any amount due the Association from the Owner;

- (ii) Notice that the Owner is entitled to a reasonable period to cure the Violation to avoid the imposition of fines or other enforcement action, and that any attorney's fees or costs incurred by the Association after the period to cure has elapsed, shall be charged to the Owner's account; and
- (iii) Notice that the Owner has a right to request in writing a hearing before the Board pursuant to Section 209.007 of the Texas Property Code, as amended, on or before the 30th day after the date the Owner receives the Notice of Violation Prior to Enforcement Action.

(b) **Failure to Remedy.** Failure to remedy the Violation existing upon or related to the use of the Common Area within the cure period stated in the Notice of Violation Prior to Enforcement Action (including any extensions of a cure period that may be granted), shall constitute a continuing Violation and result in one or more of the following: (i) the imposition of fines against the Owner, or (ii) the pursuit of any other remedy available at law or in equity, under the Lake Forest Governing Documents or this Enforcement Policy including, but without limitation, the recording in the Official Public Records of Dallas County of a notice that the Lot in question is in violation of restrictive covenants, the suspension of privileges, and/or an action for injunctive relief and civil damages. Management may describe the nature of such contemplated action in the Notice of Violation Prior to Enforcement Action. Exercise of a remedy will not preclude the later exercise of any other remedy. *The date of expiration of the cure period stated in the Notice of Violation Prior to Enforcement Action shall be the "Notice of Fine Date."*

(c) **Fine Structure.** The initial fine imposed for failure to cure a Violation shall be One Hundred Fifty and No/100 Dollars (\$150.00). The initial fine shall be imposed on the fifth (5th) day that the Violation continues to exist after the Notice of Fine Date. Thereafter, if the Violation is not cured within ten (10) days after the imposition of the initial fine, fines shall be imposed at the rate of Twenty Five and No/Dollars (\$25.00) per day. The imposition of any fine can be abated upon the occurrence of any of the following: (i) the Violation has promptly been remedied or cured; or (ii) the Owner meets with the Board to discuss a variance or extension of the period to cure the violation and the variance or extension is granted; or (iii) the Board determines to suspend the imposition of additional fines. There shall be no limit to the aggregate amount of fines that may be imposed for the same Violation. Fines and costs of enforcement and collection shall be considered Individual Assessments as provided in the Lake Forest Declaration and shall be secured by the continuing Payment and Performance Lien against the Lot of the violating Owner.

(d) **Hearing Before the Board.** Included in the Notice of Violation Prior to Enforcement Action will be the notice that the Owner has a right to request in writing a hearing (a "Hearing") pursuant to Section 209.007 of the Texas Property Code, as amended, on or before the 30th day after the date the Owner receives the Notice of

Violation Prior to Enforcement Action. The Hearing shall be conducted before the Board. The Hearing shall be held not later than the 30th day after the date the Board or Management receives the Owner's written request for a hearing. The Board shall cause the Owner to be notified of the date, time and place of the Hearing not later than the 10th day before the date of the Hearing. The Board 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. Additional postponements may only be granted by agreement of the Board and the Owner. The Board's decision shall be communicated to the Owner in writing on or before ten (10) days from the date of the Hearing.

4. Notification and Hearing Provisions Related to Violations Existing on Lots.

(a) **Courtesy Notice.** Upon verification by Management of a Violation existing on a Lot, Management will send via first class U.S. Mail to the Owner a written notice of the existence of such Violation ("*Courtesy Notice*") providing fourteen (14) days from the date of the Courtesy Notice to cure the Violation.

(b) **Notice of Violation.** If the Owner fails to remedy such Violation within the time-period prescribed in the Courtesy Notice, Management will send via first class U.S. Mail and/or certified mail, return receipt requested, to the Owner a written notice of the existence of such Violation ("*Notice*"). The Notice will inform the Owner of the following:

- (i) The nature, description and location of the Violation that is the basis for the potential suspension action, charge or fine and state any potential amount due the Association from the Owner;
- (ii) What needs to be done to cure the Violation to avoid further enforcement measures;
- (iii) Notice that the Owner is entitled to a reasonable period to cure the Violation (not less than fourteen (14) days) based on the type of action required to cure unless the Owner was given notice and a reasonable opportunity to cure a similar Violation within the preceding six (6) months, in which case a Notice of Violation Prior to Enforcement Action (defined below) shall be sent initially.

(c) **Notice of Violation Prior to Enforcement Action.** If the Owner fails to remedy the Violation described in the Courtesy Notice or fails to submit plans and specifications for the offending improvement to the RARC (or if the RARC has denied approval of the plans and specifications submitted), and such Violation is continuing, then no earlier than the expiration of the cure period in the Notice, Management shall send via certified mail, return receipt requested, to the Owner a written notice (the "*Notice of Violation Prior to Enforcement Action*"). The Notice of Violation Prior to Enforcement Action shall inform the Owner of the following:

- (i) The nature, description and location of the Violation that is the basis for the suspension action, charge or fine and state any amount due the Association from the Owner, noting the failure of the Owner to correct the Violation, as previously requested in the Notice of Violation described in Section 4 (b);
- (ii) Notice that the Owner is entitled to a reasonable period to cure the Violation to avoid the imposition of fines or other enforcement action, and that any attorney's fees or costs incurred by the Association after the period to cure has elapsed, shall be charged to the Owner's account; and
- (iii) Notice that the Owner has a right to request in writing a hearing before the RARC pursuant to Section 209.007 of the Texas Property Code, as amended, on or before the 30th day after the date the Owner receives the Notice of Violation Prior to Enforcement Action. The Owner shall also be advised that the decision of the RARC may be appealed in writing to the Board.

(d) **Failure to Remedy.** Failure to remedy the current Violation existing upon the Lot within the cure period stated in the Notice of Violation Prior to Enforcement Action (including any extensions of a cure period that may be granted), shall constitute a continuing Violation and result in one or more of the following: (i) the imposition of fines against the Owner, or (ii) the pursuit of any other remedy available at law or in equity, under the Lake Forest Governing Documents or this Enforcement Policy including, but without limitation, the recording in the Official Public Records of Dallas County of a notice that the Lot in question is in violation of restrictive covenants, the suspension of privileges, and/or an action for injunctive relief and civil damages. Management may describe the nature of such contemplated action in the Notice of Violation Prior to Enforcement Action. Exercise of a remedy will not preclude the later exercise of any other remedy. *The date of expiration of the cure period stated in the Notice of Violation Prior to Enforcement Action shall be the "Notice of Fine Date."*

(e) **Fine Structure.** The initial fine imposed for failure to cure a Violation shall be One Hundred Fifty and No/100 Dollars (\$150.00). The initial fine shall be imposed on the fifth (5th) day that the Violation continues to exist after the Notice of Fine Date. Thereafter, if the Violation is not cured within ten (10) days after the imposition of the initial fine, fines shall be imposed at the rate of Twenty Five and No/Dollars (\$25.00) per day. The imposition of any fine can be abated upon the occurrence of any of the following: (i) the Violation has promptly been remedied or cured; or (ii) the Owner meets with the RARC to discuss a variance or extension of the period to cure the violation and the variance or extension is granted; or (iii) the Board determines to suspend the imposition of additional fines. There shall be no limit to the aggregate amount of fines that may be imposed for the same Violation. Fines and costs of enforcement and collection shall be considered Individual Assessments as provided in the Lake Forest

Declaration and shall be secured by the continuing Payment and Performance Lien against the Lot of the violating Owner.

(f) **Hearing and Appeal to the Board.** Included in the Notice of Violation Prior to Enforcement Action will be the notice that the Owner has a right to request in writing a hearing (a “*Hearing*”) pursuant to Section 209.007 of the Texas Property Code, as amended, on or before the 30th day after the date the Owner receives the Notice of Violation Prior to Enforcement Action. The Hearing shall be conducted before the RARC, and the Owner shall have the right to appeal the RARC’s decision to the Board. The Hearing shall be held not later than the 30th day after the date the Board or Management receives the Owner’s written request for a hearing. The RARC shall cause the Owner to be notified of the date, time and place of the Hearing not later than the 10th day before the date of the Hearing. The RARC 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. Additional postponements may only be granted by agreement of the RARC and the Owner. The RARC’s decision shall be communicated to the Owner in writing on or before ten (10) days from the date of the Hearing. To perfect an appeal before the Board, the Owner must submit a written request of appeal to Management on or before the close of business on the tenth (10th) day after the date of the letter communicating the RARC’s decision. The Board may not reverse or overrule the RARC’s decision but can make recommendations to the RARC.

6. **Actions Without Notice or Hearing.** The notice and hearing provisions contained in paragraph 3 shall not apply under the following circumstances as set forth in Section 209.007(d) of the Texas Property Code, as amended:

(a) **Filing of Legal Action.** No notice or hearing shall be required if the Board files a suit seeking a temporary restraining order or temporary injunctive relief for a Violation or files a suit that includes foreclosure as a cause of action. In such instance, a party to such legal action may file a motion to compel mediation.

(b) **Temporary Suspension of Right to Use Common Area.** No notice or hearing shall be required if the temporary suspension is the result of a Violation that occurred upon or within the Common Properties and in the opinion of the Board involved a significant and immediate risk of harm to others in the Property. This temporary suspension shall be effective until the Board makes a final determination on the suspension action following the hearing procedures prescribed in paragraph 3, above.

7. **Referral to Legal Counsel.** Where a Violation is determined to exist by Management pursuant to any of the provisions of this Enforcement Policy and where Management deems it to be in the best interests of the Association, after receiving written approval from the Board, Management may, at any time and without prior notice to the Owner under the Enforcement Policy, refer the Violation to legal counsel for purposes of seeking to correct or otherwise abate the Violation, including an action for injunctive relief and/or civil damages against the Owner, or any other legal or equitable remedy that may be available to the Association.

8. Cure of Violation During Enforcement. An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy prior to the Hearing. Upon verification by the Board or Management that the Violation has been corrected or eliminated, the Violation will be deemed to no longer exist and the Initial Notice of Violation and/or Notice of Violation Prior to Enforcement Action shall be voided except as hereinafter provided. The Owner may be advised by the Board or Management of the consequences of the future violation of the same provision of the Lake Forest Governing Documents as set forth in the following paragraph. The Owner will remain liable for all fines and Individual Assessments levied under this Enforcement Policy, which fines and Individual Assessments, if not paid upon written demand thereof by Management, will be referred to the Association's legal counsel for collection. The Board, however, in its sole and absolute discretion reserves the right to waive some or all of the fines imposed.

9. Repeated Violation of the Same Provision of the Lake Forest Governing Documents. Whenever an Owner who has previously cured or eliminated a Violation after receipt of a Notice, commits a similar Violation within six (6) months from the date of the Initial Notice of Violation, the Board shall send a Notice of Violation Prior to Enforcement Action as provided in Subparagraph 4 (c) above. An Owner who has previously cured or eliminated a Violation after receipt of a Notice of Violation Prior to Enforcement Action, and commits a similar Violation six (6) months from the date of the Notice of Violation Prior to Enforcement Action will be subject to the imposition of fines or other enforcement measures under this Enforcement Policy with respect to such similar Violation without further notice or a right to request a Hearing with respect thereto.

10. Authority of Management To Act. The Board may authorize and empower Management to do all such things and perform all such acts as are reasonably necessary to implement and effectuate the purposes of the Enforcement Policy without further action by the Board.

11. Binding Effect and Amendment. The terms and conditions of this Enforcement Policy, as may be amended from time to time by the Board, shall bind all Owners including their heirs, successors, transferees or assigns, and all Existing Properties, and the Existing Properties shall hereafter be held, occupied, transferred and conveyed subject to the terms and conditions of this Enforcement Policy, as amended. The Board shall have the exclusive authority, in its sole and absolute discretion, to amend this Enforcement Policy.

12. Invalid or Unenforceable Provisions. If any provision of this Enforcement Policy, or its application to any person or circumstance, is invalid or unenforceable, then the remainder of this Enforcement Policy or the application of those provisions to other persons or circumstances shall not be affected thereby.

13. Lake Forest Declaration and Bylaws Control. Nothing herein is intended to amend or modify the Lake Forest Declaration or Bylaws, and in each and every instance of conflict of this Enforcement Policy with the terms of the Lake Forest Declaration and Bylaws, the terms of the Lake Forest Declaration and Bylaws shall control.

Executed to be effective as of the 15th day of November, 2009.

**The Lake Forest Community
Association, Inc.**

By: _____
President

CERTIFICATION OF APPROVAL

I, Ken Woolley, the duly-elected President of The Lake Forest Community Association, Inc., hereby certify:

That the Community Association Violation Enforcement Policy for The Lake Forest Community Association, Inc., was approved by the Board of Directors, and that the same does now constitute an official policy of The Lake Forest Community Association, Inc. and shall be filed of record with the office of the Dallas County Clerk.

IN WITNESS WHEREOF, I heretofore subscribe my hand on this 22nd day of October, 2009.

President