

EXHIBIT A

QUAIL RUN HOMEOWNERS ASSOCIATION, INC.

ENFORCEMENT AND FINING POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Quail Run Condominium, recorded in the Official Public Records of Travis County, Texas, as the same may be amended from time to time.

1. Background and Authority. The Quail Run Homeowners Association, Inc., a Texas nonprofit corporation (the “**Association**”) is subject to that certain Declaration of Quail Run Condominium, recorded in Volume 6, Page 1, of the Condominium Records of Travis County, Texas, as may be amended from time to time (the “**Declaration**”). In accordance with the Declaration, 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, its Articles of Incorporation, Bylaws, other instruments filed of record, and any rules and regulations promulgated by the Association pursuant to the Declaration or Chapter 82 of the Texas Property Code, as adopted and amended from time to time (collectively, the “**Restrictions**”), 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 Restrictions.

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 82 of the Texas Property Code, titled the "Texas Uniform Condominium 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.

2. Policy. The Association uses fines to discourage violations of the 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 Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation, nor may the Association use fines to the exclusion of other remedies.

DRAFTER'S DICTUM

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

3. Owner's Liability. An Ownership Unit Owner (hereinafter referred to as “Owner”) is

liable for fines levied by the Association for violations of the Restrictions by the Owner, the Owner's tenant(s), and the relatives, guests, employees, and agents of the Owner and the Owner's tenant(s). Regardless of who performs the violation, the Association will direct its communications regarding the violation to the Owner, although the Association may send copies of its notices to the party who commits the violation.

4. Violation Notice. Before levying a fine for a curable violation, the Association will give the Owner a written violation notice via certified or registered mail, return receipt requested, and an opportunity to be heard, if requested by the Owner. 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 or property damage that is the basis for the suspension action, charge, or fine and state any amount due to the Association from the Owner; (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 timeframe in which the violation is required to be cured to avoid the fine or suspension; (6) the amount of the fine; and (7) a statement that no later than the thirtieth (30th) day after receiving the notice, the Owner may request a hearing with the Board pursuant to Section 82.102 of the Act, if the Owner is serving on active military duty. The notice sent out pursuant to this paragraph is further subject to the following:
 - (A) First Violation of a Curable Nature. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding twelve (12) months and the violation is of a curable nature, the notice will state those items set out in (1) - (7) above, along with a specific timeframe by which the violation must be cured to avoid the fine. The notice must state that any future violation of the same restriction or rule may result in the levy of a fine.
 - (B) First Violation of a Non-Curable Nature. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding twelve (12) months and the violation is of a non-curable nature, the notice will state those items set out in (1) - (4), and (6) - (7) above. The notice shall also state that the fine will be conditionally suspended and shall be waived provided there are no additional violations of the same restriction or rule within next twelve (12) months. The notice shall also state that the suspended fine shall be reinstated if there is another violation within the next twelve (12) months and such subsequent violation of the same restriction or rule may result in the levy of an additional fine.
 - (C) Repeat Violation - No Cure within Twelve (12) Months. If the Owner has been given notice and a reasonable opportunity to cure the same or similar violation within the preceding twelve (12) months but commits the violation again, the notice will state those items set out in (1) - (3) and (6) above, but will also state that because the Owner has been given notice and a reasonable opportunity to cure the same or similar violation within the preceding twelve (12) months but has not cured the violation, then the Owner will be fined pursuant to the Schedule of Fines described below.
 - (D) Continuous Violation. After an Owner has been notified of a violation as set

forth herein and assessed fines in the amounts set forth in the Schedule of Fines described below, if the Owner has never cured the violation in response to either the notices *or* the fines, in its sole discretion, the Board 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.

For purposes of this Policy, a violation shall be considered a violation of a curable nature if it involves continuous or ongoing action that is capable of being remedied by affirmative action, which includes, but is not limited to, a parking violation, a maintenance violation, a failure to construct improvements or modifications in accordance with approved plans and specifications, and an ongoing noise violation such as a barking dog. A violation shall be considered a violation of a non-curable nature if it involves an action or condition that has occurred but is not ongoing or otherwise cannot be remedied by affirmative action, which includes, but is not limited to, shooting fireworks, an act constituting a threat to health or safety, and a noise violation that is not ongoing. Whether a violation constitutes a violation of a curable or non-curable nature shall be determined by the Board, in its sole and absolute discretion, and shall be binding provided it is made in good faith.

5. 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 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 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 the Act. Any hearing before the Board will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner shall attend the hearing in person, 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.
6. Levy of Fine. The Association must notify an Owner of a levied fine or damage charge no later than the thirtieth (30th) day after the date of the levy under Section 82.102(e) of the Act. A fine levied at a hearing requested by the Owner at which the Owner is present shall satisfy the notice requirement if the Board announces its decision to the Owner at the hearing. Otherwise, any fine or damage charge levied shall be reflected on the Owner's periodic statement of account or delinquency notices

so long as such periodic statement or notice is provided to the Owner not later than the thirtieth (30th) day after the date the fine or damage charge is levied by the Board.

7. 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. If circumstances warrant a variance from the schedule, the Board will document the reasons for the variance in the minutes of its meeting. 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 Documents. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped.
8. Collection of Fines. The Association is not entitled to collect a fine from an Owner to whom it has not given notice of a violation and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.
10. Definitions. Words and phrases used in this policy have the same meanings given to them by the Declaration.
11. 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 Unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

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 Declaration, Restrictions or this Policy. 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:

FINES*

<u>New Violation:</u>		<u>Fine Amount:</u>	
Notice of Violation		\$0	
<u>Repeat Violation:</u>		<u>Fine Amount:</u>	
Repeat Violation Notice		1 st Notice	\$0
		2 nd Notice	\$35
		3 rd Notice	\$75

	4 ^{th+} Notice	\$250
<u>Continuous Violation:</u>	<u>Fine Amount:</u>	
Continuous Violation Notice	1 st Day	\$0
	15 th Day	\$35
	30 th Day	\$75
	60 th Day	\$300
	90 th Day	\$500
	120 th Day	\$1000
Non-curable violation	1 st Notice	\$250
	2 ^{nd+} Notice	\$500

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