

CERTIFICATE OF CORPORATE RESOLUTION
SOUTH FORK FINE POLICY

Date: October 22, 2018

Corporation: South Fork Homeowners Association, Inc.

Secretary: Kathy Hebert

I, Kathy Hebert, as Corporate Secretary of South Fork Homeowners Association, Inc., certify the following facts:

1. The corporation is organized and operating under the laws of Texas, is qualified to do business here, and is in good standing.
2. No proceedings for forfeiture of the certificate of incorporation or for voluntary or involuntary dissolution of the corporation are pending.
3. Neither the articles of incorporation nor by-laws of the corporation limit the power of the Board of Directors to pass the resolution below.
4. The undersigned as Corporate Secretary is authorized to make and sign this resolution.
5. The Resolution of the Board of Directors of South Fork Homeowners Association, Inc. Fine Policy, attached hereto as Exhibit "A", is a true and correct copy of the Fine Policy passed by the Board of Directors on 9/26, 2018.
6. This Resolution remains in full force and effect as of this date.
7. This Certificate of Resolution with attached Exhibit "A" is being recorded to provide notice to the public of this policy as required by Section 202.006 of the Texas Property Code.

South Fork Homeowners Association, Inc.

By: Kathy Hebert
Kathy Hebert, Corporate Secretary

STATE OF TEXAS *
COUNTY OF NUECES *

This instrument was acknowledged before me on this 22 day of October, 2018, by **Kathy Hebert**, Corporate Secretary of **South Fork Homeowners Association, Inc.**, a Texas corporation, on behalf of said corporation.

Christina Martinez
Notary Public, State of Texas

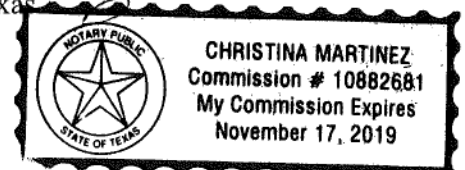


EXHIBIT "A"

SOUTH FORK TOWNHOMES

FINE POLICY

For Residents Within South Fork Townhomes

SOUTH FORK TOWNHOMES

FINE POLICY

1. Background. South Fork Townhomes is a community (the "Community") created by and subject to the Amended Declaration of Covenants, Conditions and Restrictions, recorded at Document No. 280650 in the Official Public Records of Nueces County, Texas, as it may be amended ("Declaration"). The operation of the Community is vested in South Fork Homeowners Association, Inc. (the "Association"), acting through its board of directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, the Bylaws and rules of the Association (collectively, the "Documents"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Declaration.

The Board hereby adopts this Fine Policy to establish equitable policies and procedures for the levy of fines within the Association in compliance with 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 the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Words and phrases used in this policy have the same meanings given to them by the Declaration.

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

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.
3. Owner's Liability. An owner is liable for fines levied by the Association for violations of the Documents by the owner and the relatives, tenants, guests, employees, and agents of the owner and residents. Regardless of who performs the violation, the Association will direct its communications to the owner.
4. Violation Notice. Before levying a fine, 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 be by certified mail and 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 if the violation is of a curable nature and does not pose a threat to public health or safety; (5) the amount of the fine; (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 the fine; and (7) the date the fine 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 fine, 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 of a fine.
 - 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, the fine attaches from the date of the violation notice.
5. Violation Hearing. An owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, the owner must submit a written request to the Association's manager (or the Association's board of directors if there is no manager) within thirty (30) days after the date of the violation notice. Within five (5) days after owner's request for a hearing, the Association will give the owner at least five (5) 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 a fine. The hearing 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 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 fine, if any, 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.
6. Levy of Fine. Within thirty (30) days after levying the fine, the Board must give the owner notice of the levied fine. If the fine 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 fine or the application of an owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.

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. Currently, the capped amount is \$1,000.00 for a particular fine. The cap only applies to fine amounts. Any expenses incurred by the HOA to correct the violation will continue to accumulate.

The Board has adopted the following general schedule of fines, provided, that the Board 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 effects of the violation.

Fine Schedule:

	1 st Violation	2 nd Violation	3 rd Violation
Unauthorized/unapproved construction	Warning Letter	\$100.00	\$150.00
Unauthorized/unapproved changes to existing improvements	Warning Letter	\$100.00	\$150.00
Violation of trash rules and regulations	Warning Letter	\$100.00	\$150.00
Violation of safety rules and restrictions (<i>such as fireworks, dangerous pet, parking in alleys or in firelanes*, etc.</i>)	Warning Letter	\$100.00	\$150.00
Violation of usage rules and restrictions (<i>such as vehicle parking, signage, trash, pet related, noise, nuisance, etc.</i>)	Warning Letter	\$100.00	\$150.00
*Alley/firelane parking or parking in unauthorized areas is also subject to immediate towing if obstructs police/fire truck/ambulance traffic			

The increase in fines for subsequent violations shall only apply if the violation occurred within six (6) months of the previous similar violation. After the 3rd violation, the Board may, in its sole discretion, continue the fining of the Owner for subsequent violations or elect to seek any available legal or equitable remedy, such as injunction, and/or suit for damages.

This Fine Policy shall never be interpreted to limit the Board's right to seek legal or equitable remedies (e.g. injunction) if the violation threatens the health or safety of other individuals or poses an imminent threat of damage or destruction to any part of the Property (as defined in the Declaration).

8. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as monthly or quarterly), beginning on the date the fine attaches or begins accruing. If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.
9. Collection of Fines. The Association is not entitled to collect a fine 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 fines. The Association may not charge interest or late fees for unpaid fines.
10. 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.

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10/23/2018 9:26AM

e-Filed & e-Recorded in the

Official Public Records of

NUECES COUNTY

KARA SANDS

COUNTY CLERK

Fees \$31.00

Any provision herein which restricts the Sale, Rental
or use of the described REAL PROPERTY because of
Race, Color, Religion, Sex, Handicap, Familial Status
or National Origin is invalid and unenforceable
under FEDERAL LAW, 3/12/89

STATE OF TEXAS

COUNTY OF NUECES

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS
FILED IN FILE NUMBER SEQUENCE ON THE DATE AND
AT THE TIME STAMPED HEREON BY ME AND WAS DULY
RECORDED IN THE OFFICIAL PUBLIC
RECORDS OF NUECES COUNTY TEXAS



Kara Sands
COUNTY CLERK
NUECES COUNTY, TEXAS