

**FINES POLICY/PROCEDURE FOR  
VIOLATIONS OF SILVERCREST  
RESTRICTIONS, COVENANTS, AND CONDITIONS**

The Silvercrest Restrictions, Covenants, and Conditions are filed in the Real Property Records of Hardin County, Texas (Book 1564, page 834). Paragraph 16 of the Silvercrest Restrictions, Covenants, and Conditions provides that the Board of Directors of SHOA, Inc. shall have the power to levy fines to enforce the covenants, conditions, and restrictions. The procedure to assess and enforce fines is as hereinafter set out.

1. **Hearing Procedure.** The Board shall, from time to time and at all times, have the right to prescribe the procedures for the conduct of a hearing and other similar "due process" matters. Until and unless further amended, modified, revised, clarified or repealed and replaced by the Board, the following provisions shall be applicable. The Board shall not impose a fine, suspend voting, initiate a legal proceeding (unless extraordinary circumstances exist) or infringe upon any other rights of an Owner for violations of rules unless and until the following procedure is followed:

(a) **Demand.** Written demand to cease and desist from an alleged violation is to be given to the Owner specifying:

- (1) the alleged violation;
- (2) the action required to abate the violation; and
- (3) a time period, not less than fifteen (15) days, during which the violation must be abated without incurring further sanctions, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a sanction if the violation is not a continuing one.

(b) **Notice.** At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty

or if the same rule is subsequently violated, the Board or its delegate shall furnish the violator with written notice of a hearing to be held by the Board (in executive session) or its delegate. The notice shall contain:

- (1) the nature of the alleged violation;
- (2) the time and place of the hearing, which time shall not be less than fifteen (15) days from the giving of the notice;
- (3) an invitation to attend the hearing and produce any statement, evidence, or witness on behalf of the Owner; and
- (4) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session pursuant to notice and afford the Member or Resident a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard 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, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

2. Delegation. The Board may, at any time and from time to time, appoint a "Covenants Committee" and delegate to that Committee the powers, duties and responsibilities described within subparagraphs (a), (b) and (c) above. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision of the covenants Committee to the Board in accordance with procedures then prescribed by the Board.

3. Maximum Sanction. Any sanction imposed may consist of suspension of the Owner's voting privileges and/or a dollar fine, which shall not exceed \$50.00. If the violation is a continuing one, the fines assessed shall not be daily but imposed following a hearing for the alleged violation and following written notice to abate or cure the violation.

4. Fines as a Lien. Any fine assessed and unpaid shall be a lien against the Owner's

property within the subdivision and the Board shall have the right but not the obligation to file a Notice of Lien in the Hardin County Real Property Records.