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BEAR LAKE PUD HOMEOWNERS ASSOCIATION, INC.

ORIGINAL
FILED FOR RECORD

UNANIMOUS CONSENT OF DIRECTORS IN LIEU
OF SPECIAL MEETING OF THE BOARD OF DIRECTORS

The undersigned, being all of the members of the Board of Directors of the Bear Lake PUD Homeowners Association, Inc., a Texas non-profit corporation (the "Association"), do hereby adopt, pursuant to Article 1396-9.10 of the Texas Non-Profit Corporation Act and the Bylaws of the Association, and in lieu of the holding a special meeting of the Board of Directors, the following resolution:

ADOPTION OF FINE AND ENFORCEMENT POLICY

RESOLVED, that the Directors hereby adopt the fine and enforcement policy attached hereto as Exhibit "A".

IN WITNESS WHEREOF, the undersigned have executed this instrument to be effective the 22nd day of August, 2006.

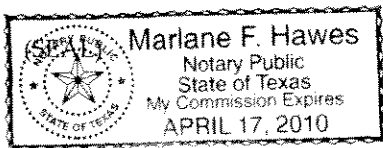
By: [Signature]
Printed Name: David A. Ruehlman
Title: Director

By: [Signature]
Printed Name: John E. Baker
Title: Director

By: [Signature]
Printed Name: Tim Dalton
Title: Director

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

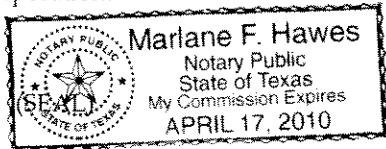
This instrument was acknowledged before me on the 22nd day of August, 2006, by David A. Ruehlman, Director of Bear Lake PUD Homeowners Association, Inc., a Texas non-profit corporation on behalf of said corporation.



[Signature]
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

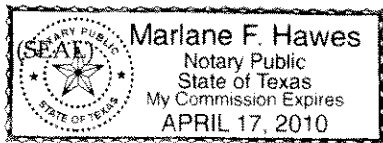
This instrument was acknowledged before me on the 22nd day of August, 2006, by John E. Baker, Director of Bear Lake PUD Homeowners Association, Inc., a Texas non-profit corporation on behalf of said corporation.



Marlane F. Hawes
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 22nd day of August, 2006, by Tim Dalton, Director of Bear Lake PUD Homeowners Association, Inc., a Texas non-profit corporation on behalf of said corporation.



Marlane F. Hawes
Notary Public Signature

AFTER RECORDING RETURN TO:
ROBERT D. BURTON, ESQ.
ARMBRUST & BROWN, L.L.P.
100 CONGRESS AVE., SUITE 1300
AUSTIN, TEXAS 78701

EXHIBIT "A"BEAR LAKE PUD HOMEOWNERS ASSOCIATION, INC.
VIOLATIONS OF RESTRICTIONS, BYLAWS OR RULESFINE AND ENFORCEMENT POLICY

AUTHORITY

In accordance with that certain Master Declaration of Covenants, Conditions, Restrictions and Easements for Bear Lake PUD, recorded under Document No. 2002151142, Official Public Records of Travis County, Texas and Volume 2047, Page 780, Official Public Records of Hays County, Texas, as amended by that certain First Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Bear Lake PUD, recorded under Document No. 2004240491, Official Public Records of Travis County, Texas and Volume 2633, Page 147, Official Public Records of Hays County, Texas, that certain Second Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Bear Lake PUD, recorded under Document No. 200534410, Official Public Records of Travis County, Texas and Volume 2640, Page 880 Official Public Records of Hays County, Texas, that certain Third Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Bear Lake PUD, recorded under Document No. 2005220913, Official Public Records of Travis County, Texas and Volume 2820, Page 46, Official Public Records of Hays County, Texas and that certain Fourth Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Bear Lake PUD, recorded under Document No. 2006015521, Official Public Records of Travis County, Texas and Volume 2859, Page 707, Official Public Records of Hays County, Texas (collectively, the "**Declaration**"), the Board of Directors (the "**Board**") of the Bear Lake PUD Homeowners Association, Inc. (the "**Association**"), by unanimous consent, has adopted this fine and enforcement policy as part of the rules and regulations of the Association. In the event of any conflict between the terms and provisions of the policies set forth herein and the provisions of Chapter 209 of the Texas Property Code, the provisions of Chapter 209 shall control. The policies and procedures set forth herein shall govern violations of the Declaration and any rules and regulations which may be promulgated by the Board from time to time (the "**Rules**"). The policies and procedures set forth herein do not apply to violations for failure to pay assessments levied by the Association. The Board has adopted alternative policies and procedures for such violations.

A violation may be committed by an Owner, an occupant of a Lot, or the Owner or occupant's family, guests, employees, contractors, agents or invitees. The Association will seek to provide notice to the violating party, but the Owner is responsible for violations which occur on an Owner's Lot without regard as to whether those violations were committed by an occupant other than the Owner, or the Owner's family, guests, employees, contractors, agents or invitees.

NOTICE OF VIOLATION

The manager of the Association has the authority to send violation notices utilizing the form attached hereto as Attachment "1" (the "**Notice**"), unless otherwise directed by the Board. In certain circumstances, the Board may direct the manager to suspend an Owner or occupant's right to use recreational facilities within the Common Area, suspend an Owner's right to vote on any matter which may properly come before the membership of the Association, or levy an assessment against the Owner's Lot for charges incurred by the Association to bring the Lot into compliance or for damages incurred by

the Association as a result of the violation. In general, however, the penalty for violation of the Declaration or the Rules will be the assessment of a fine against the Owner and/or violating party. The Notice attached hereto: (i) describes the violation or property damage that is the basis for the fine; (ii) informs the violating party that they are entitled to a reasonable period to cure the violation and avoid the fine; and (iii) informs the violating party that they may request a hearing before the Board on or before the thirtieth (30th) day after the date they receive the Notice. In the event the Board elects to enforce an alternative penalty, the Notice shall describe such penalty.

SCHEDULE OF FINES

For each violation of the Declaration or the Rules, the Board has adopted the following schedule of fines*:

Premature Site Clearing	\$1,500
Construction Without Architectural Control Committee Approval	\$500 plus \$50/day
Inadequate Construction Entry	\$250 plus \$50/day
Inadequate/Removed Construction Fence or Silt Fence	\$250 plus \$50/day
Excessive Mud/Debris on the Street	\$250 plus \$50/day
No Dumpster or Trash Box Provided	\$150 plus \$50/day
Excessive Trash or Debris on Lot	\$150 plus \$50/day
Encroachment on Adjacent Properties	\$500 plus cost of repair
Damage to Streets, Curb, Infrastructure	\$500 minimum, plus cost of repair
Miscellaneous Violation of Restrictions	To be determined on a case-by-case basis

* Fines commence upon expiration of the cure period provided in the Notice and are payable as provided below. The Board reserves the right to levy fines against any Owner or other party which differ from the schedule of fines set forth above. In addition, the Board may amend or modify the schedule of fines generally applicable to violations of the Declaration or the Rules from time to time.

The First Offense: A first offense means that the Owner or other party has not violated a similar provision of the Declaration or the Rules within six (6) months from the date of any prior notice describing such violation.

A. Hearing Not Requested. In the event a hearing before the Board is not requested within the thirty (30) day period specified in the Notice, the fine described in the Notice will be assessed for each day the violation continues after the expiration of the cure period provided in the Notice. The fine is due

and payable after the expiration of the thirty (30) day period for requesting a hearing. If the violation is not cured or the fine paid within ten (10) days after the expiration of the thirty (30) day period for requesting a hearing, the matter will be referred to the Association's attorney for further action. In the event the matter is referred to the Association's attorney, attorneys fees and collection costs incurred by the Association will be collected from the Owner or other party as a precondition to settlement unless otherwise approved by the Board.

B. Hearing Requested. If a hearing is requested within the time period specified in the Notice, and the matter is not resolved as a result thereof, the fine specified in the Notice (or the fine determined by the Board as a result of the hearing) will be assessed for each day the violation continues after the expiration of the cure period provided in the Notice. The fine will be due immediately after the hearing. If the violation is not cured or the fine paid within ten (10) days after the hearing, the matter will be referred to the Association's attorney for further action. In the event the matter is referred to the Association's attorney, attorneys fees and collection costs incurred by the Association will be collected from the Owner or other party as a precondition to settlement unless otherwise approved by the Board.

C. Hearing. A hearing before the Board is held to discuss, verify facts and attempt to resolve the matter identified in the Notice. Unless otherwise agreed by the Board, each hearing shall be conducted in accordance with the agenda attached hereto as Attachment "2".

Repeat Violations: A repeat violation means that the Owner or other party has violated a similar provision of the Declaration or the Rules within six (6) months from the date of any prior notice describing such violation. In the case of repeat violations, an Owner or other party is not entitled to a hearing before the Board. The fine will be due in the event the violation is not cured within ten (10) days after a notice of the violation and fine has been sent to the Owner or other party. A repeat violation notice will: (i) describe the violation; (ii) provide the owner or other party ten (10) days to cure the violation, unless otherwise directed by the Board; and (iii) assess the fine. If the violation is not cured or the fine paid within ten (10) days after the hearing, the matter will be referred to the Association's attorney for further action. In the event the matter is referred to the Association's attorney, attorneys fees and collection costs incurred by the Association will be collected from the Owner or other party as a precondition to settlement unless otherwise approved by the Board.

ATTACHMENT "1"

NOTICE (FIRST OFFENSE ONLY)

NOTICE OF VIOLATION

CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL

[NAME]

[ADDRESS]

Austin, Texas 787___

RE: Bear Lake PUD Homeowners Association, Inc. - Violation of Master Restrictions and/or Rules

Governing Document: [IDENTIFY GOVERNING DOCUMENT AND REFERENCE
APPLICABLE PROVISION]

Dear [NAME]:

As a courteous reminder from your homeowners association, please be advised that you are in violation of the covenants, guidelines or rules applicable to our community. The covenants, guidelines, and rules are intended to preserve the value of property within the Bear Lake PUD community and to protect you as well as your neighbors.

We realize that many infractions are unintentional and this was probably a simple oversight. Promptly and positively correcting the situation will prevent the need for further action. We ask your cooperation in taking the following action **within ten (10) days** from the date of this notice:

[DESCRIBE ACTION]

If this situation has been resolved, please confirm your resolution of the violation in writing to the Bear Lake PUD Homeowners Association, Inc., _____, Attn: _____, phone: _____, fax: _____.

Please be advised that the Board of Directors of the Association has adopted a schedule of fines for violations of the covenants, guidelines or rules of the community. In the event this matter is not resolved within ten (10) days from the date of this letter, a fine will be assessed against you in the amount of \$___00 for each day in which the violation remains uncorrected after expiration of the ten (10) day cure period.

Please be advised that you have a right to submit a written request for a hearing of this matter before the Board of Directors of the Association to discuss, verify and attempt to resolve the matters set forth herein. You may request a hearing on or before the thirtieth (30th) day after the date you receive this notice. If you desire to have a hearing before the Board, please forward a written request for such hearing to the Bear Lake PUD Homeowners Association, Inc., _____, Attn: _____, phone: _____, fax: _____.

If you request a hearing, the Board is required to hold the hearing not later than thirty (30) days after the date the Board receives your request, and must notify you of the date, time and place of the hearing not later than the 10th day prior to the hearing.

If you do not request a hearing within the time permitted and the violation continues, or if it is determined at a hearing that you are in violation and the violation is not immediately corrected, you may be responsible for all reasonable attorneys' fees and costs incurred in our attempts to gain your compliance. In addition, you may be liable for civil damages in an amount up to \$200.00 per day that the violation continues.

We sincerely solicit your cooperation and thank you for your compliance.

On behalf of the Board of Directors,

ATTACHMENT "2"

HEARING BEFORE THE BOARD

Note: An individual will act as the presiding hearing officer. The hearing officer will provide introductory remarks and administer the hearing agenda.

I. Introduction:

Hearing Officer. The Board has convened for the purpose of hearing an appeal by _____ from the penalties imposed by the Association for violation of the Declaration or the Rules.

The hearing is being conducted as required by Section 209.007(a) of the Texas Property Code, and is an opportunity for the appealing party to discuss, verify facts, and resolve the matter at issue. The Board would like to resolve the dispute at this hearing. However, the Board may elect to take the appeal under advisement and conclude the hearing. If the matter is taken under advisement, a final decision will be communicated in writing within fifteen (15) days.

II. Presentation of Facts:

Hearing Officer. This portion of the hearing is to permit a representative of the Association the opportunity to describe the violation and to present photographs or other material relevant to the violation, fines or penalties. After the Association's representative has finished his presentation, the owner or its representative will be given the opportunity to present photographs or other material relevant to the violation, fines or penalties. The Board may ask questions during either party's presentation. It is requested that questions by the appealing party be held until completion of the presentation by the Association's representative.

[Presentations]

III. Discussion:

Hearing Officer. This portion of the hearing is to permit the Board and the owner to discuss factual disputes relevant to the violation. Discussion regarding any fine or penalty is also appropriate. Discussion should be productive and designed to seek, if possible, an acceptable resolution of the dispute. The Hearing Officer retains the right to conclude this portion of the hearing at any time.

IV. Resolution:

Hearing Officer. This portion of the hearing is to permit discussion between the Board and the appealing party regarding the final terms of the settlement if a resolution was agreed upon during the discussion phase of the hearing.

If no settlement was agreed upon, the Hearing Officer may: (i) request that the Board enter into executive session to discuss the matter; (ii) request that the Board take the matter under advisement and adjourn the hearing; or (iii) adjourn the hearing.

Bk Vol Pg
06025381 OPR 2993 817

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By:
Rose Robinson, Deputy

Lee Carlisle, County Clerk
Hays County

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2006 Aug 28 02:43 PM 2006165811

CORTEZY \$48.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS