

SOMERSET PLACE ASSOCIATION, INC.
DEED RESTRICTION ENFORCEMENT POLICY

Effective January 1, 2017

In the event of the failure of any Owner to observe the maintenance obligations imposed by the Restated Declaration of Covenants, Conditions and Restrictions, (the "Declaration"), the Architectural Control Guidelines, or other governing documents, Somerset Place Association, Inc., (the "Association") shall follow the procedure contained in this policy.

Notification

A written First Notice describing the violation(s) shall be sent by verified mail to the Owner at the Owner's last known address as shown on the Association records.

The Owner will have the following options:

1. Remedy the condition in full by the date specified in the First Notice. This "Remedy Date" shall be no less than sixty (60) days from the date the First Notice was mailed to the Owner.
2. Submit a written "Remedy Response Plan" to the Board of Directors of the Association ("the Board") on or before the Remedy Date.
3. Submit a written request for a hearing before the Board on or before the 30th day after the date the First Notice was mailed to the Owner.

A written Second Notice describing the violation(s) may be sent to the Owner at the Owner's last known address as shown on the Association records no earlier than thirty (30) days after the date of the First Notice.

If by the Remedy Date the Owner has not cured the violation(s) in full, no written Remedy Response Plan has been received by the Board, and no written request for a hearing has been received by the Board, the Association shall have the right, at any time thereafter, to perform the maintenance work needed to fully cure the violation(s) or to refer the matter to the Association attorney for legal action. In addition, the Owner will be considered to be a member not in good standing with the Association.

Remedy Response Plan

A Remedy Response Plan ("Plan") is a written proposal in which the Owner proposes a timeline by which to remedy the condition in full. The timeline can extend beyond the Remedy Date such that the date by which the condition will be fully remedied (the "Commitment Date") falls after the Remedy Date. In no case shall the Commitment Date be earlier than the Remedy Date.

If an Owner chooses to submit a Plan, the Board will review the Plan and notify the Owner in writing of its approval or rejection of the Plan. The Board may appoint a committee to review the Plan and make a recommendation to the Board. Prior to approval or rejection of a Plan, the Board, or the committee appointed by the Board, may contact the Owner for clarification or discussion.

If the Plan is approved, then the Owner shall have until the Commitment Date that is specified in the Plan to cure the violation(s). The Owner may request modifications to the Plan and the Board, at its sole discretion and with reasonable justification, may grant extensions to any of the deadlines mentioned in this Policy.

If the Commitment Date established in the Plan passes without the violation(s) having been cured, then the Association shall have the right, at any time thereafter, to perform the maintenance work needed to fully cure the violation(s) or to refer the matter to the Association attorney for legal action. In addition, the Owner will be considered to be a member not in good standing with the Association.

If the Plan is rejected, the Board shall notify the Owner in writing. The Board shall supply its reason for rejecting the Plan in its notification to the Owner. The Owner shall have thirty (30) days from the date the notice of rejection of the Plan was sent or until the Remedy Date, whichever is later, to cure the violation(s). If the Owner has not cured the violation(s) at the end of the thirty (30) day timeframe or by the Remedy Date, whichever is later, the Association shall have the right, at any time thereafter, to perform the maintenance work needed to fully cure the violation(s) or to refer the matter to the Association attorney for legal action. In addition, the Owner will be considered to be a member not in good standing with the Association.

Request for Hearing

If an Owner chooses to submit a written request for a hearing before the Board, the hearing shall be held no later than the 30th day after the date the Board receives the Owner's request for a hearing. The Board shall notify the Owner of the time, date and place of the hearing no 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 10 days. Additional postponements may be granted by agreement of the parties.

The Board may appoint a committee to hold the hearing. If the hearing is held before a committee appointed by the Board, the Owner shall have the right to appeal the committee's decision to the Board by written notice to the Board.

If an agreement is reached as a result of the hearing, the Owner shall have until the Commitment Date agreed upon during the hearing to cure the violation(s). The Owner may request and the Board, at its sole discretion and with reasonable justification, may grant extensions to any of the deadlines mentioned in this Policy. In no case shall the Commitment Date be earlier than the Remedy Date.

If the Commitment Date agreed upon during the hearing passes without the violation(s) having been cured, then the Association shall have the right, at any time thereafter, to perform the maintenance work needed to fully cure the violation(s) or to refer the matter to the Association attorney for legal action. In addition, the Owner will be considered to be a member not in good standing with the Association.

If no agreement is reached as a result of a hearing before the Board, the Owner shall have thirty (30) days from the date of the hearing or until the Remedy Date, whichever is later, to cure the violation(s). If the Owner has not cured the violation(s) thirty (30) days after the date of the hearing or by the Remedy Date, whichever is later, the Association shall have the right, at any time thereafter, to perform the maintenance work needed to fully cure the violation(s) or to refer the matter to the Association attorney for legal action. In addition, the Owner will be considered to be a member not in good standing with the Association.

If no agreement is reached as a result of a hearing before a committee appointed by the Board, the Owner shall have ten (10) days from the hearing date to appeal the committee's decision to the Board by written notice to the Board. If the Owner appeals the committee's decision within the ten (10) day timeframe, the Board shall hold another hearing before the full Board following the same procedure as outlined above for a hearing request. The Board may also elect to hold another hearing before the full Board in order to resolve the matter. If the Board has not received a notice to appeal ten (10) days after the hearing date and the Board has not elected to hold another hearing, the Owner shall have an additional thirty (30) days or until the Remedy Date, whichever is later, to cure the violation(s).

Association Remedies

Should it become necessary for the Association to take enforcement action, the Association may elect to

1. self-remedy or
2. refer the matter to the Association attorney.

In the event that the Association elects to self-remedy and performs the maintenance work needed to cure the violation(s) on the Owner's behalf, then the Association or its authorized personnel shall have access to each Owner's property at all reasonable times between 9 A.M. and 6 P.M. local time on all days except Sunday.

Any sums expended by the Association in the performance of the maintenance work shall become immediately due and payable to the Association. The Association may avail itself of any and all means of collection described or permitted in the relevant governing documents of the Association or in the Texas Property Code.

In the event that the Association elects to refer the matter to the Association attorney, legal action may include the use of alternative dispute resolution services, the recording of a Certificate of Non-Compliance in the real property records, and the filing of a lawsuit. A Certificate of Non-Compliance could serve as an impediment to the sale of the property. A lawsuit could result in a court order forcing compliance, a judgment for damages (if actually incurred) and attorneys' fees.

Nothing contained in this Policy, not otherwise required by the Declaration or other governing documents, shall require the Board to take any of the specific actions contained herein. The Board shall have the right, but not the obligation, to evaluate each deed restriction violation on a case-by-case basis as it, in its best judgment, deems reasonable. Decisions regarding deed restriction enforcement are made in the sole and absolute discretion of the Board.

Association Record of Deed Restriction Enforcement Actions

The Association shall maintain a current record of deed restriction violations and follow-up activities. A report on deed restriction enforcement actions will be provided at board meetings as long as there are active cases. Upon request, an Owner may review the record of deed restriction violations and follow-up activities pertinent to the Owner's lot(s). An Owner may notify the Board of a deed restriction violation.

Member in Good Standing Status

For purposes of this policy, an Owner is deemed to be a member in good standing with the Association unless any of the following occur:

- 1) he/she has failed to respond to the First Notice and has not cured the deed restriction violation(s) by the Remedy Date;
- 2) he/she has failed to cure the deed restriction violation(s) by the Commitment Date established in the Remedy Response Plan or at the hearing; or
- 3) he/she has failed to cure the deed restriction violation(s) within the timeframe allotted following the rejection of a Plan or the failure to reach an agreement at a hearing.

Should an Owner be considered member not in good standing with the Association for any of the above-mentioned reasons, the Owner shall automatically regain the status of member in good standing with the Association once the violation(s) have been cured and the residence is once again in compliance with the deed restrictions.