



SCANNED

STATE OF TEXAS
COUNTY OF TRAVIS

Estates of Shady Hollow Home Owners' Association, Inc.

Deed Restriction Enforcement Policy

Board approved September 15, 2005

The Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Shady Hollow Estates is recorded in Vol. 11675, page 831 of the Real Property Records of Travis County, Texas (together with all subsequent amendments, the "Declaration"); and the Declaration established a property owners association, the Shady Hollow Estates Community Association (dba Estates of Shady Hollow Homeowners Association); and the Bylaws of the Association authorize its Board to adopt rules to govern the Property. The Board has adopted the following rules, including those attached as appendix A.

The Estates of Shady Hollow is a community association which is protected by architectural standards and deed restrictions which were in place at the time all owners purchased their property. These standards and restrictions were established for the benefit of all property owners and are designed specifically to protect property values in the neighborhood and to promote the high quality of life that is desired for us and our neighbors.

The Board of Directors of the Estates of Shady Hollow Home Owners' Association recognizes its obligation to uphold the architectural standards and enforce the deed restrictions. The Board of Directors further recognizes the need for an orderly procedure through which the Board of Directors and / or individual owners may uphold the architectural standards and enforce the deed restrictions.

Violations of the architectural standards and / or deed restrictions may be enforced through the Property Manager (at the Board's direction) or by property owners in the manner described in this document.

I. Violation Observed by Property Manager

If a violation of the Covenants, Conditions and Restrictions (CC&Rs) is observed by the Property Manager as a part of a normal drive-by, including, but not limited to any Architecture Control Committee (ACC) violations, the procedure outlined in Appendix A will be followed.

II. Homeowner Complaint

If a homeowner complaint is received by either the Property Manager or a Member of the Board of Directors, it should be brought to the attention of the all of the Members of the Board of Directors as well as the Property Manager, if applicable. The homeowner complaint should then be added to the agenda of next Board of Directors Meeting by the Recording Secretary. If the complaint is received by a Member of the Board of Directors, the Board member may follow up with the homeowner for clarification or not as deemed appropriate.

At the meeting, the Members of the Board will listen and decide on how to best handle the homeowner's complaint.

The Members of the Board of Directors may decide that no action is required. The President of the Board will then inform the homeowner who made the complaint in writing of this decision and reasons for this decision prior to the next Board of Directors Meeting. Should the homeowner find this response unsatisfactory, the homeowner may attend the next Board for Directors meeting or request a special meeting at the convenience of the homeowner who has made the complaint and the Members of the Board of Directors.

The Members of the Board may decide that the complaint is a violation of the CC&Rs and is verifiable. The Board of Directors will request that the Property Manager pursue this complaint. The complaint will be handled as a violation of the CC&Rs as observed by the Property Manager as in Case I above.

The Members of the Board may decide that further review is needed. The Board will then request that the homeowner making the complaint meet with the Board and present whatever evidence of the violation of the CC&Rs that the homeowner may have. This must be done at the next Board of Directors meeting or at a special meeting at the convenience of the homeowner making the complaint and the Members of the Board of Directors. After the meeting between the homeowner making the complaint and the Board of Directors, the Board will make a decision as to how the complaint will be handled prior to the next Board meeting.

If the Board decides not to pursue the complaint, the President of the Board will communicate this and the reasons for this decision in writing to the homeowner prior to the next Board for Directors Meeting.

The Board may decide that the complaint should be pursued based on the available evidence. The Board would then direct the Property Manager to send a letter to the homeowner, against whom the complaint was submitted, stating that a complaint has been received and including any documentation or other evidence available. The letter should state that if this is true, this is a violation of the CC&Rs, and the letter should request that the homeowner review the situation with the Board either at the next Board of Directors meeting or a special meeting at the convenience of the homeowner against whom the complaint has been made and the Members of the Board of Directors

III. Emergency Situation

If either the Property Manager or a Board Member observes an emergency situation, it will immediately be reported to the appropriate authorities (fire department, county constable, etc) and then communicated to all of the Board Members and the Property Manager if applicable.

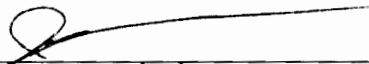
When, in the opinion of the Board, in its sole and absolute discretion, an emergency or any other urgent situation exists which requires immediate action, the Board may exercise self-help and/or legal action without providing the written notices described in Texas Property Code Chapter 209.

An emergency and/or urgent situation shall include but not be limited to any act, situation, or condition that poses a substantial risk to health, life, or property. Examples: builder/owner about to pour concrete or otherwise proceed with unauthorized construction, builder/owner about to cut down tree(s) without authorization, dog attacking or threatening to attack someone.

Executed this 2nd day of November, 2005.

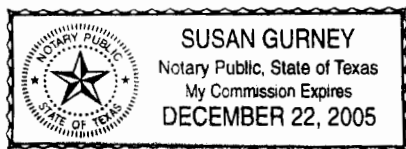
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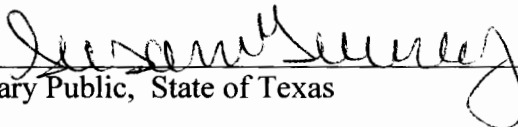
SHADY HOLLOW ESTATES COMMUNITY
ASSOCIATION (dba Estates of Shady Hollow
Homeowners Association), a Texas non-profit corporation

By: 
John Anderson
Title: President

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on NOV 2, 2005,
by JOHN ANDERSON, in the capacity stated above.




Notary Public, State of Texas

After recording, please return to:
Niemann & Niemann, LLP
Attn: Connie Heyer
1122 Colorado Street, Suite 313
Austin, Texas 78701

Appendix A

Rules and Regulations:
VIOLATION PROCEDURE

Section 1. **Suspension of Privileges/Fines.** In the event of a violation of the Declaration, Bylaws, or any rules and regulations of the Association, the Board of Directors, acting on behalf of the Association, in addition to any other remedies provided by the Declaration, Bylaws, or rules and regulations and remedies available pursuant to State statute or other law, may (1) suspend or condition the right of an Owner and any tenants, occupants, or guests to use of facilities (including all or part of any common areas) owned, operated, or managed by the Association; (2) suspend an Owner's voting privileges in the Association as a Owner, as further provided in the Declaration and Bylaws; (3) record a notice of non-compliance encumbering the Lot; (4) levy a damage assessment against a Lot; (5) levy collection or deed restriction enforcement costs against an owner, and/or (6) assess a fine against the Lot Owner, his tenants, occupants, or guests in an amount to be determined by the Board of Directors.

Before the Association may suspend an Owner's right to use a common area, file suit against an Owner (other than a suit to collect regular or special assessments or foreclose under an Association lien), charge an Owner for property damage, or levy a fine for a violation of the restrictions (including Declaration, Bylaws, or rules), the Association must give certified mail, return receipt requested notice to the last known address of the Owner.

Any amounts charged to an Owner under these procedures may be collected in the same manner as regular assessments under the Declaration, including lien and foreclosure rights to the extent permitted by law.

Section 2. **Notice Requisites prior to common area use right suspension, voting suspension, filing suit (other than for collections), or fining/charging for damages.** The notice referenced in Section 1 will be sent certified mail, return receipt requested, to the last known address of the Owner in the Association records. The notice must (1) describe the violation or property damage that is basis for the suspension action, charge, or fine and state any amounts due the Association from the Owner; (2) inform the Owner that the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months; and (3) inform the Owner that he may request a hearing before the Board of Directors on or before the 30th day after the date the Owner received the notice (or 30 days after the date on which the first attempted delivery was made to the Owner).

The Association will hold any hearing not later than the 30th day after the date the Board receives the Owner's request for a hearing, and will notify the Owner of the date, time, and place of the hearing at least ten days before the hearing date.

Section 3. **Attorneys Fees.** The Association may assess reasonable attorneys fees to an Owner's account for nonpayment of amounts due or other violations of the Declaration, Bylaws, or rules only if the Owner is provided a written notice that attorneys fees and costs will be charged to the Owner if the delinquency or violation continues after a date certain. Regardless, attorneys fees may not be charged to an Owner's account until after any Owner-requested

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hearing allowed pursuant to these procedures is held, or, if the Owner does not request a hearing, before the date by which the Owner must request a hearing. For repeat violations within six months, attorneys fees may be assessed to an account after the first hearing request deadline date has passed or after the first hearing, as appropriate.

The failure of the Association to enforce any provisions of the Declaration, Bylaws, rules, or procedures shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declaration, Bylaws, and rules are cumulative and not exclusive.

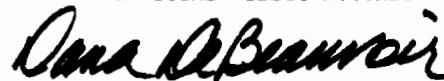
This notice and hearing procedure is intended to mirror the requisites of Texas Property Code Chapter 209. In the event of any conflict between this notice and hearing procedure and the Texas Property Code, the Texas Property Code will prevail.

Section 4. **Application of Payments.** The Association in its discretion and without notice to the Owner may apply amounts received from Owners to non-assessment items or other amounts due and owing the association regardless of Owners' notations on checks or otherwise.

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FILED AND RECORDED

OFFICIAL PUBLIC RECORDS



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DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS