



COVENANT ENFORCEMENT AND FINING POLICY

The Board of Directors (hereinafter the "Board") of the Town Homes I At Legacy Town Center Homeowners Association (the "Association") is vested with the authority to enforce the restrictive covenants contained in the Declaration of Covenants, Conditions and Restrictions for The Town Homes I at Legacy Town Center Plano, Texas (the "Declaration") recorded under Clerk's File Number 2005-0083905 in the Real Property Records of Collin County, Texas. The Board is further vested with the authority to promulgate this Covenant Enforcement and Fining Policy pursuant to Article VI, Section 6.1(a) of the Bylaws of the Association.

Consistent enforcement of the provisions of our Declaration is essential to maintaining property values throughout the community. In an effort to provide homeowners with a better understanding of the process of restriction enforcement, the Board of the Association adopted the following Covenant Enforcement and Fining Policy and Schedule of Fines. Please review the Covenant Enforcement and Fining Policy and Schedule of Fines to become familiar with those items that are considered violations, as well as the type of enforcement action that may be taken.

Procedure as follows:

1. Courtesy Letter:

Upon verification of a violation, a Courtesy Letter may be sent to the Owner and Occupant if known, stating:

- (a) A description of the deed restriction violation(s).

2. Violation Letter:

After the expiration of the Courtesy Letter or upon the next inspection, if the violation has not been corrected, a Violation Letter may be sent to the Owner either via regular U.S. mail postage prepaid, overnight delivery by a private courier, hand delivery, via email or facsimile transmission. Depending on the severity of the violation and/or the history of the Owner, this may be the first letter sent as determined in the sole discretion of the Association. The Violation Letter will state:

- (a) A description of the deed restriction violation(s).
- (b) The action required to correct the violation(s).
- (c) The time by which the violation must be corrected.
- (d) That if the violation is not corrected within the time allowed or if there is a subsequent violation of the same restriction, any other restriction set forth in the deed restrictions for Association or on the attached Schedule of Fines, that a fine may be imposed.

3. Demand Letter:

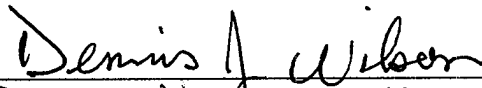
If the violation is not corrected within the time allowed, or if there is a subsequent violation of the same restriction, any other restriction set forth in the deed restrictions for the Association or on the Schedule of Fines, a Demand Letter shall be sent to the Owner. This letter will be sent postage prepaid, via U.S. regular mail and certified mail, return receipt requested. This may be the first letter sent depending on the severity of the violation and/or the history of the Owner and/or Occupant as determined in the sole discretion of the Association. This letter will state:

- (a) A description of the deed restriction violation(s).
 - (b) The action required to correct the violation(s).
 - (c) That the matter may be turned over to the Association's legal counsel and charges in the amount of at least \$125.00 will be incurred which will be added to the Owners assessment account.
 - (d) The proposed sanction or fine to be imposed.
 - (e) That a reasonable period of time will be given, to be determined in the sole discretion of the Association, to cure the violation and avoid the fine, unless notice and opportunity to cure a similar violation was given within the previous six months.
 - (f) That a hearing before the Board or designated committee may be requested in writing on or before the 30th day after the date the Owner receives the notice.
 - (f) That if the hearing is held before a designated committee, there will be a right to appeal the decision of that committee to the Board upon written notice to the Board.
 - (f) A hearing shall be granted if a written request for a hearing is received by the Association not more than thirty (30) days from receipt of the Demand Letter. Notification of the date, time and place of the hearing will be sent not later than the 10th day before the hearing. If a postponement of the hearing is requested by either the Association or the Owner and Occupant, it must be granted for a period of not more than 10 days. Any additional postponements may be granted by agreement of the parties.
 - (f) Evidence may be produced or a written statement may be sent in advance of the hearing, containing any evidence that the Owner and Occupant wishes to be considered.
4. After an affirmative decision by the Board, or after the expiration of the written notice, Association may impose fines in accordance with the approved Schedule of Fines. If the violation is a subsequent violation of one that has occurred within the previous six months, the fine may accrue as of the first (1st) date of the subsequent violation.
5. Any fine imposed shall be assessed against Owner. If the fine is not paid by the Owner within the time period required, the fine shall be posted to the Owner's account and the Owner shall pay the fine upon notice from the Association.
6. If the violation is in the form of unauthorized construction or of a type that is causing danger or nuisance to the community and time is of the essence, as determined in the sole discretion of the Association, it may immediately turn the matter over to legal counsel for pursuit of a temporary injunction and/or permanent injunction.
8. The Board is authorized to impose lesser fines or no fine at all for violation(s) of the bylaws, rules and regulations, covenants, conditions and restrictions, or other dedicatory instruments of the Association as determined by the Board of Directors in its sole and absolute discretion.

9. Nothing contained herein, not otherwise required by the Declaration, shall require the Association to take any of the specific actions contained herein. The Board of the Association shall have the right, but not the obligation, to evaluate each deed restriction violation on a case-by-case basis as in its best judgment deems reasonable.

ADOPTED by the Town Homes I at Legacy Town Center Homeowners Association, on this the 13th day of December, 2006, and to be effective upon the recording of this Covenant Enforcement and Fining Policy in the Real Property Records of Collin County, Texas.

THE TOWN HOMES I AT LEGACY TOWN
CENTER HOMEOWNERS ASSOCIATION



Dennis Wilson, President

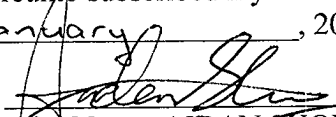
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Town Homes I at Legacy Town Center Homeowners Association, a Texas non-profit corporation;

That the foregoing Covenant Enforcement and Fining Policy was unanimously adopted by the Board of Directors on the 13th day of December, 2006.

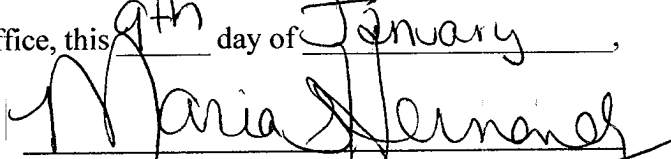
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this the 8th day of January, 2007.


Print Name: AIDAN SHORI
Title: Secretary

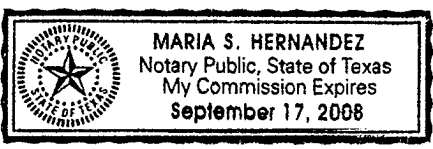
STATE OF TEXAS §
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COUNTY OF COLLIN §

BEFORE ME, on this day personally appeared AIDAN SHORI the Secretary of Town Homes I at Legacy Town Center Homeowners Association known by me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in the capacity therein and herein stated, and as the act and deed of said corporation.

Given under my hand and seal of office, this 9th day of January, 2007.


Notary Public – State of Texas

After Recording Please Return To:
Marc D. Markel
Roberts Markel Bale P.C.
2800 Post Oak Blvd., 57th Floor
Houston, TX 77056



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Filed and Recorded
Official Public Records
Stacey Kemp
Collin County, TEXAS
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