

EXHIBIT 2

TOWNES OF BUCKINGHAM TOWNHOME OWNERS ASSOCIATION, INC.

NOTICE AND HEARING; SCHEDULE OF FINES (FINES ALSO KNOWN AS "INDIVIDUAL ASSESSMENTS")

Notice and Hearing.

(a) Prior to the imposition of any fine ("Individual Assessment") for a violation of this Declaration or the levying of any special assessment on an Owner, the Association will give at least **one (1) notice** to the Owner in compliance with Section 209.006 of the Texas Property Code (the "**Property Code**"), as the same may be hereafter amended. The Board of Directors may, at their sole discretion, send only **ONE NOTICE OF VIOLATION (the "Notice of Fine")** which shall allow the Owner not more than **three (3) days** in which to cure the violation. If a courtesy notice is issued the Owner shall have not more than **three (3) days** to cure the violation otherwise, a Notice of Fine will be issued and the Owner will have not more than an additional **three (3) days** in which to cure the violation subject to the exclusions in (iii) below. Such notice shall be as follows:

(i) If a Courtesy Notice is sent the notice will be delivered by regular U.S. mail.

(ii) If a Notice of Fine is sent ("Individual Assessment") the notice will be delivered by certified mail.

(iii) Each notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner.

(iv) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation **which shall not exceed a total of six (6) days regardless of the number of notices issued, excluding violations for trash, trash receptacles, or debris which shall be corrected within 24-hours of notice**, and avoid the fine and that the Owner may request a hearing under this Section 12.01 and Section 209.007 of the Texas Property Code on or before the 30th day after the Owner receives the notice. An Owner may request a hearing at any time up to thirty (30) days after a Fine Warning Notice is issued and/or a fine is levied.

(b) In compliance with Section 209.007 of the Texas Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Board receives the Owner's request, and shall notify the Owner of the date, time and place of the hearing not later than the tenth (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 ten (10) days without mutual consent of both Parties. Additional postponements may be granted by agreement of the parties. If the hearing is to be held before a committee

appointed by the Board, the notice described in Section 7.2 and 7.3 of the Declaration shall state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

(i) If the violation is not cured to the reasonable satisfaction of the Association after delivery of a notice of violation has been delivered in accordance with the Declaration, the Rules and Regulations, and/or this policy and provided that such Owner has not requested a hearing then the Association shall assess a fine to the Owner's account as long as a Notice of Fine has been sent. *After at least one (1) notice of violation is served on an Owner for any violation the Association shall not be required to serve any other notice except the Notice of Fine for any violation repeated by an Owner within a six (6) month period. For chronic violators or violations repeated anytime within a six (6) month period, the Board, at their sole discretion, may exercise their right to set fine(s) on a case by case basis and is not required to follow the fine schedule below.* The Association is not entitled to collect a fine ("Individual Assessment") from an Owner to whom it has not given notice and an opportunity to be heard, pursuant to Section 209.006 and Section 209.007 of the Texas Property Code.

(c) Fines levied by the Association for violations may be in accordance with the Schedule of Fines listed below or as outlined in (i) above. Any fine ("Individual Assessment") levied shall be reflected on the Owner's periodic statements of account or delinquency notices. **The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Declaration which may include at the Board's discretion, self-help remedies.** The Board may elect to pursue such additional remedies at any time in accordance with applicable law. **The Board also reserves the right to set fine ("Individual Assessment") amounts on a case by case basis, provided the fine ("Individual Assessment") is reasonable in light of the nature, frequency, and effect of the violation.**

FINES:

<u>Violation:</u>	<u>Fine Amount:</u>
Notice of Fine -1 st Notice	\$50.00 (may be avoided if Owner cures the violation by the time specified in the notice)
Notice of Fine -2 nd Notice	\$75.00
Notice of Fine -3 rd Notice	\$100.00
Notice of Fine -4 th Notice	Up to \$25 per week or partial week thereafter until violation cured.

(e) Remedies Not Exclusive. All rights and remedies provided in this Policy are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, the Association's governing documents or otherwise. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

(a) Any fee or charge becoming due and payable pursuant to this Policy will be added to the amount then outstanding on the Owner's account and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

The policy set forth herein may be revoked or amended from time to time by Resolution of the Board. This policy will remain effective until the Association records an amendment to this policy in the county's official public records.