

AFTER RECORDING PLEASE RETURN TO:

Gregory S. Cagle

CAGLE PUGH, LTD. LLP

4301 Westbank Dr., Bldg. A., Ste. 150

Austin, Texas 78746

PADRE ISLES PROPERTY OWNERS ASSOCIATION
MAINTENANCE CHARGE COLLECTION POLICY

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MAINTENANCE CHARGE COLLECTION POLICY

WHEREAS, Padre Isles Property Owners Association (the "Association") is the trustee under certain Protective Covenants and Land Owners Agreements recorded in the Official Public Records of Nueces County, Texas, as further described in Exhibit A attached hereto (collectively, the "Protective Covenants").

WHEREAS, the Protective Covenants empowers the Association to enforce the covenants, conditions and restrictions of the Protective Covenants, including the obligation of owners of property subject to the Protective Covenants ("Owners") to pay maintenance charges levied by the Association to fund the Maintenance Fund (as defined in the Protective Covenants).

WHEREAS, the undersigned, Marvin Jones, as the duly elected, qualified and acting President of the Association, and undersigned, Frank Stover, as the duly elected, qualified and acting Secretary of the Association, hereby certifies on behalf of the Association that the policy set forth below was adopted by the Association's Board of Directors (the "Board") at a meeting on December 13, 2022.

BE IT RESOLVED, the Board hereby adopts this Maintenance Charge Collection Policy to establish equitable policies and procedures for the collection of maintenance charges levied pursuant to the Protective Covenants. Words and phrases used in this policy have the same meanings given to them by the Protective Covenants.

SECTION 1. DELINQUENCY

- 1-A. Due Date. An Owner will timely and fully pay any and all maintenance charges by the due date set by the Association.
- 1-B. Delinquent. Any maintenance charge, or monthly installment payment thereof, that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full.

SECTION 2. PAYMENTS

- 2-A. Application of Payments. Any payment received by the Association will be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose:
 - (1) any delinquent maintenance charge.
 - (2) any current maintenance charge.

- (3) any attorney's fees or third-party collection costs incurred by the Association associated solely with maintenance charges or any other charge that could provide the basis for foreclosure.
 - (4) any attorney's fees incurred by the Association that are not associated solely with maintenance charges or that could provide the basis for foreclosure
 - (5) any other amount owed to the Association
- 2-B. Form of Payment. The Association may require that payment of delinquent maintenance charges be made only in the form of cashier's check or certified funds.
- 2-C. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent maintenance charges does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.
- 2-D. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association or the Association's attorney will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner. The Association may require the Owner to prepay the cost of preparing and recording the release.
- 2-E. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

SECTION 3. COLLECTION PROCEDURES

- 3-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.
- 3-B. Initial Delinquency Notices. If the Association has not received full payment of a maintenance charge, or monthly installment thereof, by the due date, the Association shall send a written notice of nonpayment to the defaulting Owner by first class mail

and/or by certified mail, stating the amount the delinquent account balance. The Association's delinquency-related correspondence shall state that if full payment is not timely received within thirty (30) days from the date of the initial notice, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.

- 3-C. Second Notices of Delinquency. If the Association has not received full payment of a maintenance charge, or monthly installment thereof, within thirty (30) days from the date of an initial notice of delinquency, the Association shall send a second notice of delinquency to the defaulting Owner by first class mail and by certified mail, which shall comply with Section 209.0064 of the Texas Property Code and shall state that if the Owner fails to pay the full amount of the delinquent account balance or enter into a payment plan agreement with the Association for the full amount of the delinquent account balance within forty-five (45) days from the date of the second notice, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner, including the filing of a notice of lien against the Owner's property, referring the account to the Association's attorney for further collection action, and/or foreclosure of the Association's assessment lien.
- 3-D. Notice of Lien. If the Association has not received full payment of a delinquent account balance or the Owner has not entered into a payment plan agreement for the payment of the full account balance within forty-five (45) days from the date of the second notice of delinquency, the Association may record a notice of lien against the Owner's property in the Official Public Records of Nueces County, Texas. Within thirty (30) days of filing a notice of lien, the Association shall mail a recorded copy of such notice of lien to the Owner.
- 3-E. Verification of Owner Information. The Association may obtain a title report to determine the names of the Owners and the identity of other lienholders, including the mortgage company.
- 3-F. Notification of Mortgage Lender. The Association may notify an Owner's mortgage lender of the Owner's default in the obligation to maintenance charges.
- 3-G. Notification of Credit Bureau. The Association may report the defaulting Owner to one or more credit reporting services after the Association has given such Owner written notice of its intent to do so pursuant to Section 209.006 of the Texas Property Code.
- 3-H. Collection by Attorney. If the Association has not received full payment of a delinquent account balance or the Owner has not entered into a payment plan agreement for the payment of the full account balance within forty-five (45) days from the date of the second notice of delinquency, the Association may refer the delinquent account to its attorney for collection. In such event, the Association's attorney may provide the following notices and take the following actions as directed by the Association, acting through its Board:

- (1) Initial Notice of Delinquency and Demand for Payment: Preparation of the Initial Notice of Delinquency and Demand for Payment Letter. If the account is not paid in full or a payment plan is not entered into within 30 days, then
 - (2) Final Demand for Payment and Notice of Intent to Foreclose Letter: Preparation of the Final Demand for Payment and Notice of Intent to Foreclose Letter. If the account is not paid in full or a payment plan is not entered into within 30 days, then
 - (3) Notice of Delinquency and Right to Cure to Junior Deed of Trust Lienholder. If applicable, preparation of Notice of Delinquency and Right to Cure Letter to any applicable holders of Deed of Trust Liens that are inferior to the Association's lien. If the account is not paid in full within 60 days, then
 - (4) Foreclosure of Lien: Upon written approval by the Board, commencement of foreclosure process.
- 3-I. Payment Plan: Unless otherwise directed by the Board, the Association's attorney is authorized to enter into a payment plan with the Owner that complies with the terms set forth under the Association's Payment Plan Guidelines.
- 3-J. Notice of Lien. The Association's attorney may cause a notice of the Association's assessment lien against the Owner's property to be publicly recorded. In such event, a copy of the notice will be sent to the defaulting Owner, and may be sent to his mortgage holder.
- 3-K. Foreclosure of Lien – Judicially. The Association may file suit against the Owner for judicial foreclosure of the Association's lien. This action may be combined with a claim of personal liability against the Owner for recovery of a money judgment.
- 3-L. Suit for Owner's Personal Liability. Whether or not the Association forecloses the Association's lien, the Association may file suit for a personal judgment against the defaulting Owner, and may execute on the judgment.
- 3-M. Possession Following Foreclosure. If the Association purchases a defaulting Owner's property at a public foreclosure auction, the Board may immediately institute proceedings to recover possession of such property.
- 3-N. Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.
- 3-O. Suspension of Use of Certain Facilities or Services. The Association may suspend the use of the Common Area amenities by any Owner and/or their tenant, whose account with the Association is delinquent for at least thirty (30) days.

SECTION 4. GENERAL PROVISIONS

- 4-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association will exercise their independent, collective, and respective judgment in applying this policy.
- 4-B. Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect maintenance charges under the Protective Covenants and the laws of the State of Texas.
- 4-C. Limitations of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid maintenance charges, or reimbursed to the Owner if those maintenance charges are paid in full.
- 4-D. Notices. Unless the Protective Covenants, applicable law, or this Policy provide otherwise, any notice or other written communication given to an Owner pursuant to this Policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or on personal delivery to the Owner. If the Association's records show that a Lot is owned by two (2) or more persons, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this Policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.
- 4-E. Amendment of Policy. This Policy may be revoked or amended from time to time by the Board. This policy will remain effective until the Association records an amendment or revocation of this Policy in the Official Public Records of Nueces County, Texas and published on the Association's website.

The foregoing Policy was approved by majority vote of the members of the Board of the Association at a duly-called meeting of the Board conducted on December 13 2022, as certified by the signature of the Secretary of the Association below.

Executed this 21st day of December, 2022.

PADRE ISLES PROPERTY OWNERS ASSOCIATION

By: Amara Jones, President

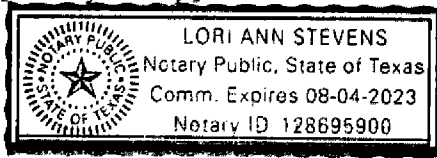
By: Franklin Meyer, Its Secretary

STATE OF TEXAS §
COUNTY OF NUECES §

Before me, the undersigned notary public, on this day personally appeared FRANKLIN MEYER Secretary of Padre Isles Property Owners Association, known to me or proved to me by presentation to me of a governmentally-issued identification card to be who one of the persons whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed it for the purposes and consideration expressed in it.

Given under my hand and seal of office the 21st day of December, 2022.

[Notary Stamp]



Lori Ann Stevens
Notary Public, State of Texas

EXHIBIT A

SUBDIVISION NAME	COVENANTS FILED OF RECORD (DEED RECORDS)	MAP FILED OF RECORD (MAP RECORDS)
Section A	Volume 1258, Pages 215 et seq.	Volume 33, Pages 97 et seq.
Section B	Volume 1265, Pages 227 et seq	Volume 34, Pages 15 et seq.
Section C	Volume 1323, Pages 487-94	Volume 34, Pages 133 et seq.
Section D	Volume 1335, Pages 285-92	Volume 35, Pages 24-25
Section E	Volume 1424, Pages 351-59	Volume 38, Pages 25-26
Barataria Bay Units 1 & 2	Volume 1292, Pages 114-21	Volume 34, Pages 60-63
Barataria Bay Unit 3	Volume 1300, Pages 426-33,	Volume 34, Pages 86-87
Barataria Bay Unit 4	Volume 1300, Pages 418-25	Volume 34, Pages 84-85
Barataria Bay Unit 5	Volume 1319, Pages 507-14	Volume 34, Pages 117-118
Cape Summer Unit 1	Volume 1386, Pages 1002 et seq.	Volume 36, Pages 25 et seq.
Cape Summer Unit 2	Volume 1386, Pages 1012 et seq.	Volume 36, Pages 34 et seq.
Commodore's Cove Unit One	Volume 1424, Pages 378-87	Volume 38, Pages 34-35
Commodore's Cove Unit Two	Volume 1424, Pages 388 et seq.	Volume 38, Pages 34-35
Coquina Bay	Volume 1424, Pages 407-16	Volume 38, Pages 47-54
Island Fairway Estates	Volume 1424, Pages 417 et seq	Volume 38, Pages 55 et seq.

Island Fairway Estates	Volume 1517, Pages 100-110	Volume 40, Pages 154-59
Island Fairway Estates	Volume 1517, Pages 111 et seq.	Volume 40, Pages 181-82 Volume 40, Pages 183-84
Mariner's Cay	Volume 1292, Pages 106 et seq.	Volume 34, Pages 54-55
Mariner's Cay Unit 2	Volume 1424, Pages 398-406	Volume 38, Pages 45-46
Mariner's Cay Unit 2-A	Volume 1424, Pages 398-406	Volume 39, Pages 193-94
Point Tesoro Unit 1	Volume 1368, Pages 494-502	Volume 34, Pages 145-46
Point Tesoro Unit 2	Volume 1335, Pages 265-273	Volume 35, Pages 20-21
Point Tesoro Unit 3	Volume 1335, Pages 275-283	Volume 35, Pages 22-23
Point Tesoro Unit 4	Volume 1345, Pages 493-501	Volume 35, Pages 46-49
Point Tesoro Unit 5	Volume 1424, Pages 369-77	Volume 38, Pages 32-33
Ports O'Call	Volume 1424, Pages 427-36	Volume 38, Pages 62-68
Section No. 1	Volume 1265, Pages 491-97 Volume 1280, Pages 354-59 Volume 1280, Pages 360 et seq. Volume 1384, Pages 528 et seq.	Volume 13, Pages 1-8 Volume 33, Pages 83-84 Volume 32, Pages 34 et seq. Volume 36, Pages 12 et seq.
Section No. 2 (Galleon Bay Unit 2)	Volume 1274, Pages 173-80 Volume 1491, Pages 803-10	Volume 33, Pages 80-82
Section No. 3 (Galleon Bay Unit 3)	Volume 1261, Pages 97-104	Volume 33, Pages 83-84

Section No. 3A (Galleon Bay Unit 3)	Volume 1424, Pages 349-50	Volume 38, Pages 22-23
Section No. 4 (Tradewinds)	Volume 1241, Pages 25-33	Volume 33, Pages 44-47
Tract B, Section No. 4 (Tradewinds)	Volume 1588, Pages 725-34	Volume 33, Pages 44-47
Lots 8 through 18, inclusive, Block 191, Section No. 4 (Tradewinds)	Volume 1580, Pages 512-21	Volume 42, Pages 4-5
Tract A, Section No. 4 (Tradewinds)	Volume 1856, Pages 357-365	Volume 33, Pages 44-47

**Nueces County
Kara Sands
Nueces County
Clerk**

Instrument Number: 2023001390

eRecording - Real Property

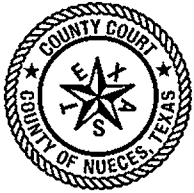
NOTICE

Recorded On: January 12, 2023 12:28 PM

Number of Pages: 11

" Examined and Charged as Follows: "

Total Recording: \$57.00



**STATE OF TEXAS
NUECES COUNTY**

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Nueces County, Texas.

Kara Sands
Nueces County Clerk
Nueces County, TX

******* THIS PAGE IS PART OF THE INSTRUMENT *******

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2023001390
Receipt Number: 20230112000067
Recorded Date/Time: January 12, 2023 12:28 PM
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Record and Return To:

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