

COLLECTION POLICY
for
POTRANCO ACRES HOMEOWNERS ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF MEDINA §

I, Chris Skelton, President of Potranco Acres Homeowners Association, Inc. ("Association"), do hereby certify that in the open session of a properly noticed meeting of the Board of Directors ("Board") of the Association, duly called and held on the 7th day of November, 2024, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Collection Policy was duly approved by at least a majority vote of the members of the Board present at the meeting.

RECITALS:

1. The Board enforces the provisions of the Declaration applicable to the Property to address the collection and processing of assessments and other charges due and owing to the Association.
2. The Board desires to adopt a Collection Policy consistent with the Association's Dedicatory Instruments (as defined below) and state law.

COLLECTION POLICY

It is the policy of the Association to enforce the provisions of the Dedicatory Instruments applicable to the Property regarding the collection of assessments and other charges due and owing to the Association in accordance with the following Collection Policy ("Policy"):

Section 1. Definitions. Capitalized terms used in this Policy have the following meanings:

- 1.1. **Assessment.** The Annual Assessment and other assessments including, but not limited to, Special Assessments and any other charge(s) for which an Owner is responsible as provided for in the Declaration which is secured by the Association's lien and the collection which is governed by the Declaration and/or state law.

1.2. **Declaration** – shall mean the following:

a. Documents:

- (1) Potranco Acres Declaration of Covenants, Conditions, Easements and Restrictions.

b. Recording Information:

- (1) Medina County Clerk’s File No. 2020011377.

“Declaration” also includes any other applicable amendments, annexations or supplements not included in the list above and any future amendments, annexations or supplements.

1.3. **Dedictory Instruments** - Each document governing the establishment, maintenance or operation of the properties within the Property, as more particularly defined in Section 202.001(1) of the Texas Property Code.

1.4. **Property** - shall mean the following:

- Potranco Acres, a subdivision in Medina County, Texas according to the map or plat thereof described in Exhibit A attached to the Declaration, and all amendments to or replats of said maps or plats, if any.

“Property” shall also include any and all other subdivisions that have been annexed or will be annexed into or otherwise fall under the jurisdiction of the Association, if any, that are not included above.

Other capitalized terms used herein have the same meanings as that ascribed to them in the Declaration.

Section 2. Due Date. Each Annual Assessment shall be paid in quarterly installments and due by the first (1st) day of January, April, July and October or such other date established by the Declaration or the Board. Each Special Assessment due date will vary depending on membership vote approving same. All other Assessments shall be due in the time period established by the Board if such date is not established in the Declaration.

Section 3. Cost Recovery. Each Assessment, together with interest, costs, late charges and attorney fees incurred in a collection action shall be secured by a continuing lien upon each Lot and shall be the personal obligation of the Owner. Unless otherwise prohibited by law or as otherwise provided by the Association’s Dedictory Instruments, all costs of collection, expenses, and fees charged to, or paid by, the Association collecting, or attempt to collect, Assessments shall be assessed against the Lot and shall also become the personal obligation of the Owner as and when incurred. Cost of collection shall include, but not be limited to, charges imposed by the Association in sending collection notices/letters, charges imposed by the Association’s

management company for sending collection notices/letters, attorney fees, legal expenses (postage, copies, filing fees, etc.), and charges or administrative costs/fees imposed by the Association's management company for monitoring delinquent accounts and/or turning over delinquent accounts to the Association's collection agent (including the Association's attorney).

Section 4. Delinquency Processing. The delinquent date for all Assessments will be thirty (30) days from the Due Date, unless otherwise stated in the Declaration or action approving same.

Section 5. Notices. All collection notices sent to the Owner below shall contain notice of the amount then due.

5.1. **Delinquent Notice(s).** The Association may, but is not required to, send one or more delinquent notices at a time to be determined by the Board before sending the final Delinquent Notice described below.

5.2. **Final Delinquent Notice.** The Association shall, before turning a delinquent owner over to a collection agent (including the Association's attorney), send to the Owner a notice that complies with Section 209.0064 of the Texas Property Code. Additionally, if an Owner's use rights in the Common Area are to be suspended, the notice may include the provisions required by Section 209.006 of the Texas Property Code. The Association retains the right to send a letter that complies with Section 209.006 of the Texas Property Code regarding suspension of an Owner's Common Area use rights as a separate mailing.

Section 6. Interest. Unless otherwise provided by the Declaration, any Assessment not paid within thirty (30) days of the Due Date shall bear interest from the Due Date at the rate of six percent (6%) per annum.

Section 7. Late Charge. A late charge of \$20.00 per month will be incurred on any Annual Assessment, Special Assessment or other Assessment that is not paid in full within thirty (30) days of the date the Assessment became due. The late charge will be based upon the full amount of the applicable Assessment regardless of whether the full amount of the applicable Assessment is delinquent, or some portion less than the full amount of the applicable Assessment is delinquent. Late charges are in addition to, not in lieu of, interest.

Section 8. Payment Plan and Partial Payments. All Owners will be offered a payment plan in accordance with Section 209.0062 of the Texas Property Code and the Association's Payment Plan Policy. If accepted by the Association, partial payments shall be posted in accordance with Section 209.0063 of the Texas Property Code unless the owner is in default under a payment plan at the time the Association receives the payment. The acceptance of a partial payment for less than the full amount due at the time payment is made shall not constitute waiver or forgiveness of the remaining balance. If an Owner enters into a payment plan per the Association's Payment Plan Policy, Owner is responsible for any and all administrative cost provided for in the Payment Plan Policy. The Association will not accept cash payments.

Section 9. Dishonored Checks. Checks dishonored by the bank (e.g., NSF checks) may (but are not required to) be re-deposited by the Association. Whether or not a dishonored check is re-deposited, a dishonored check will incur a dishonored check processing fee in the amount of \$25.00 to offset the additional processing involved and a dishonored check notice may (but is not required to) be sent requesting payment in full by cashier's check or money order. In the event a dishonored check notice is sent and the amount due is not paid in full within ten (10) days of the mailing of the dishonored check notice, the Association may initiate or continue collection activity. If a dishonored check notice is not sent, the Association may proceed with collection activity immediately. In addition to the dishonored check fee charged by the Association, any bank fee(s) or any other type of fee(s) charged to the Association because of the dishonored check [including a management company fee(s), if any] shall be charged against the Owner's account and the amount of the dishonored check shall be reposted to the Owner's account. An Owner shall be responsible for all charges and/or fees incurred by the Association as a result of a dishonored check.

Section 10. Owner's Mailing Address. It is the responsibility and obligation of each Member who owns a Lot under the jurisdiction of the Association to provide the Member's mailing address to the Association and to promptly notify the Association in the event the Member's mailing address changes. In order to be effective, notice of the Member's mailing address or a change of the Member's mailing address must be mailed to the Association by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. It is the Member's responsibility to maintain evidence of receipt by the Association of Member's notice of address change. The Association may, at its discretion, accept a notification of a change in a Member's mailing address sent by regular mail or e-mail, however, a Member that disputes the mailing address listed in the Association's records must be able to prove that the Member sent an address change notification by providing evidence of receipt by the Association of Member's notice of address change that was sent by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. Unless the Association is otherwise notified in writing, the Member's mailing address shall be deemed to be the street address of the Member's Lot or the last alternative mailing address provided to the Association by the Member in writing. All notices to the Owner pursuant to State law and the Association's governing documents shall be mailed to the Owner at the Owner's last known mailing address. If mail to a Member is returned undelivered, or the Association otherwise reasonably determines that the last known mailing address of the Member may not be valid, the Association has the right, but not the obligation, to conduct a title search or other searches for the purpose of attempting to either verify the Member's current mailing address or to obtain the Member's current mailing address. Any costs incurred by the Association to verify a Member's current mailing address or obtain a Member's current mailing address shall be, to the extent permissible under the Association's Dedicatory Instruments and state law, charged to the Member. The failure of a Member to receive a notice(s) or to properly notify the Association of a change in a Member's mailing address shall in no way waive or negate the Member's obligation to pay any Assessment or charge(s) authorized by the Declaration or state law. The submission of a check or other form of payment to the Association which sets forth an alternative address does not constitute notice of a change of the Member's mailing address.

Section 11. Referral of Account to Association's Collection Agent. The Association, the Board, an individual Board member, the Association's office staff if any, or the Association's management agent may, without further approval or action needed by the Board other than the adoption of this Policy in the open session of a properly noticed Board meeting and filing this Policy in the applicable county records, refer any account to the Association's collection agent (including the Association's attorney) on which any portion of: (a) the current year's Assessment is delinquent; and/or (b) any portion of a previous year's Assessment is delinquent; and/or (c) any other charge(s) due and owing to the Association that is authorized in the Association's Dedicatory Instruments or by state law is delinquent. Upon referral of an account to the Association's collection agent (including the Association's attorney) for collection, the collection agent is authorized to, without further instruction from the Board, take whatever action is necessary to collect the amount due including, but not limited to, sending demand letters, filing a lawsuit against the delinquent Owner for a money judgment and/or a judicial foreclosure, instituting an expedited foreclosure action if authorized by the Declaration and/or state law, foreclosing on the Lot or any non-exempt assets of an Owner (includes the authority to allow the Association's attorney or designated agent to bid on and purchase the property at a trustee foreclosure sale or at a constable/sheriff's sale), and, in the event an Owner files bankruptcy, filing necessary claims, objections and motions in the bankruptcy court, and monitoring the bankruptcy case in order to protect the Association's interests.

Section 12. Required Action. Nothing contained herein, not otherwise required by the Declaration or by law, shall require the Association to take any of the actions contained herein. The Association's Board of Directors shall have the right, but not the obligation, to evaluate each delinquency on a case-by-case basis and proceed with collection activity as in its best judgment deems reasonable.

Section 13. Referral of Account to Credit Reporting Service(s). In the event that an Owner does not either pay the balance due on the assessment account of Owner's Lot in full or enter into a payment plan for the amount due after receipt of a Final Delinquent Notice as described in Section 5.2 above, the Association may, but is not required to, report a delinquent account to a credit reporting service(s) of the Association's choosing. The Association's may report the delinquent account by and through its management company. The decision to refer a delinquent account to a credit reporting service(s) shall be at the sole and absolute discretion of the Board. The Board is not required to refer all delinquent accounts to a credit reporting service(s) and retains the sole and absolute discretion to refer accounts to a credit reporting service(s) on a case-by-case basis.

Section 14. Lien Filing. In the event the Association decides to file an assessment lien, before the Association files the assessment lien (as that term is defined in Texas Property Code Section 209.0094), the Association must:

- a. Send an initial notice of delinquency:
 - (1) by first class mail to the Owner's last known mailing address as reflected in the Association's records;

(2) by e-mail to an e-mail address the Owner has provided to the Association.

and

- b. Send a second notice of delinquency by certified mail, return receipt requested, to the Owner's last known mailing address as reflected in the Association's records not earlier than the 30th day after notice is given under Subsection a(1).

The Association may not file an assessment lien before the 90th day after the date notice of delinquency was sent to the property owner under Section 14(b).

Section 15. This Policy replaces and supersedes any previous collection policy (or similarly named document), if any, adopted by the Association.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Collection Policy was approved by at least a majority vote of the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Medina County, Texas.

POTRANCO ACRES HOMEOWNERS ASSOCIATION, INC.

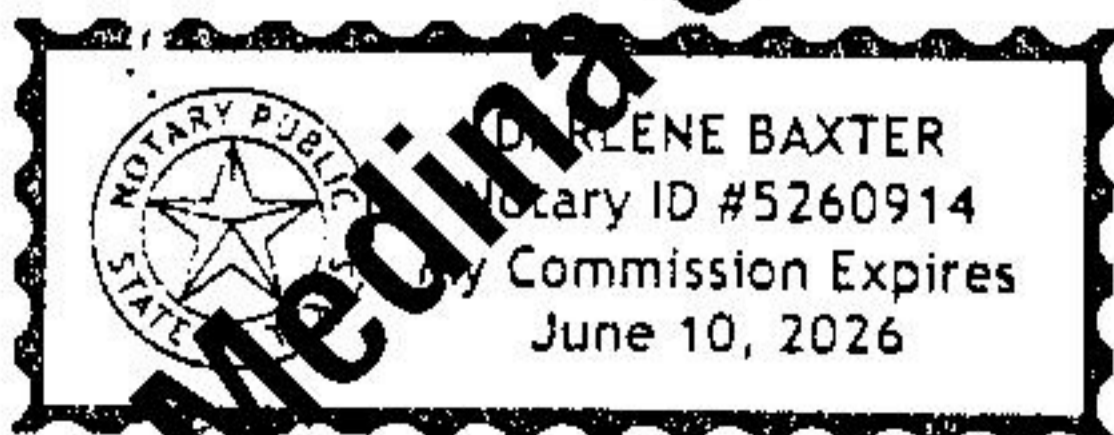
By: [Signature]

Printed: Chris Stone

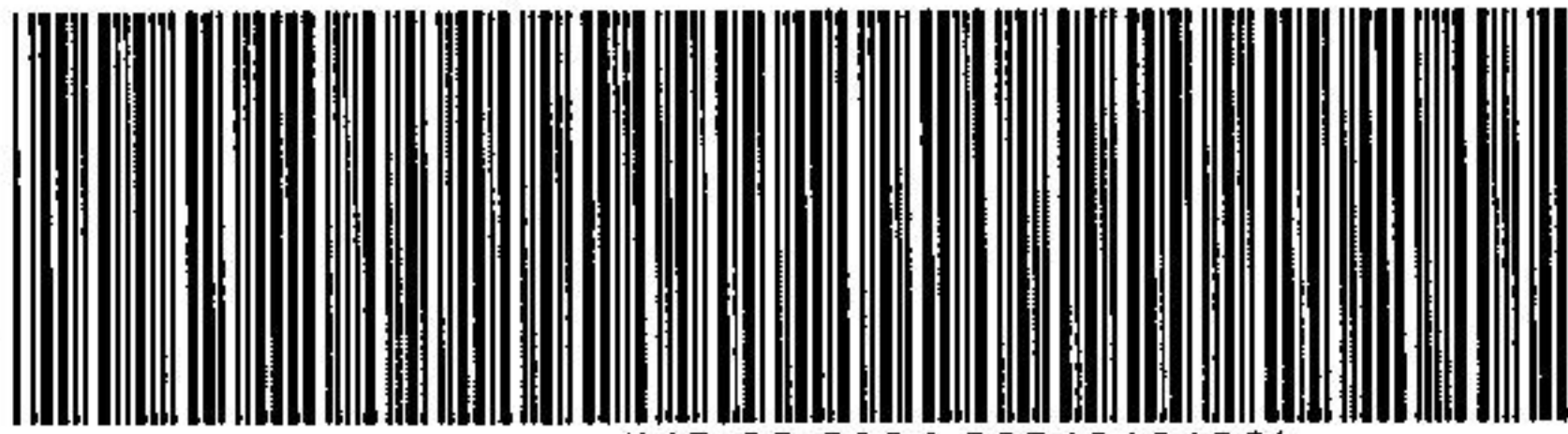
Its: President

THE STATE OF TEXAS §
COUNTY OF Medina §

BEFORE ME, the undersigned notary public, on this 7 day of November 2024, personally appeared Chris Stone as President of Potranco Acres Homeowners Association, Inc. known to 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 purpose and in the capacity therein expressed.



[Signature]
Notary Public in and for the State of Texas



VG-32-2024-2024010136

Medina County
Gina Champion
Medina County Clerk

Instrument Number: 2024010136

Real Property Recordings

Recorded On: November 07, 2024 02:42 PM

Number of Pages: 7

" Examined and Charged as Follows: "

Total Recording: \$45.00

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

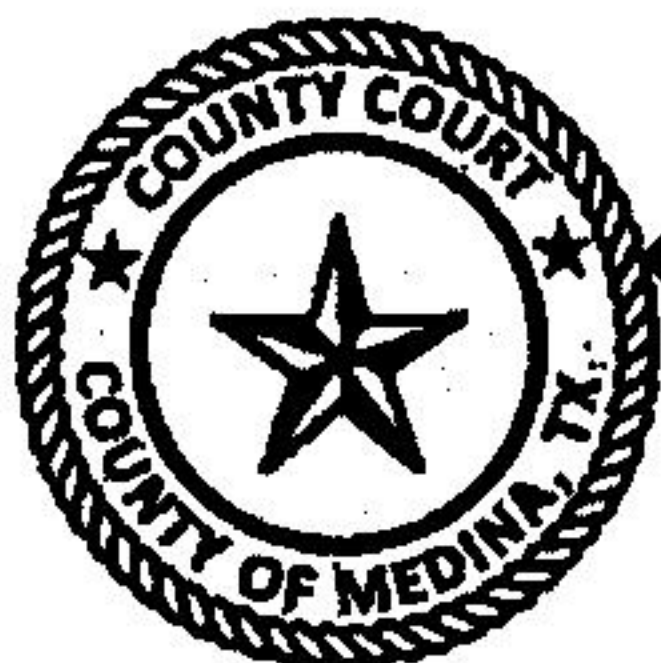
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2024010136
Receipt Number: 20241107000028
Recorded Date/Time: November 07, 2024 02:42 PM
User: Jaylen P
Station: cccash2

Record and Return To:

Potranco Acres



STATE OF TEXAS
Medina 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 Medina County, Texas

Gina Champion
Medina County Clerk
Medina County, TX

Medina County Unofficial Copy

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