

COLLECTION POLICY
for
CANYON LAKE HILLS PROPERTY OWNERS ASSOCIATION

THE STATE OF TEXAS §

§

COUNTY OF COMAL §

I, Michael K. Mullen, Secretary of Canyon Lake Hills Property Owners Association ("Association"), do hereby certify that at a meeting of the Board of Directors ("Board") of the Association duly called and held on the 5th day of December, 2017, 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 a majority vote of the members of the Board.

RECITALS:

1. The Board enforces the provisions of the Bylaws and 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 Dedicatory Instruments of the Association and state law.

WITNESSETH:

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 policy:

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

- 1.1. **Assessment** - The annual maintenance assessments as provided for in the Declaration.
- 1.2. **Bylaws** - means the "By-Laws of Canyon Lake Hills Property Owners Association" attached to the Management Certificate recorded in the Official Public Records of Real Property of Comal County, Texas under Clerk's File No. 201706049946.
- 1.3. **Declaration** - means the following:
 - a. **Documents:**
 - (1) Canyon Lake Hills Unit No. 1.
 - (2) Canyon Lake Hills Unit No. 2.

- (3) Canyon Lake Hills Unit No. 3.
- (4) Canyon Lake Hills Unit No. 4.
- (5) Canyon Lake Hills Unit No. 5.
- (6) Canyon Lake Hills Unit No. 6.

b. Recording Information:

- (1) Volume 169, Page 90 in the Official Public Records of Comal County, Texas.
- (2) Volume 171, Page 192 in the Official Public Records of Comal County, Texas.
- (3) Volume 169, Page 625 in the Official Public Records of Comal County, Texas.
- (4) Volume 171, Page 01 in the Official Public Records of Comal County, Texas.
- (5) Volume 169, Page 758 in the Official Public Records of Comal County, Texas.
- (6) Volume 169, Page 288 in the Official Public Records of Comal County, Texas.

Any other applicable amendments, annexations or supplements not included in the list above and any future amendments, annexations or supplements.

- 1.4. **Dedicatorary 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.
- 1.5. **Property** - means Canyon Lake Hills, Unit No. 1; Canyon Lake Hills, Unit No. 2; Canyon Lake Hills, Unit No. 3; Canyon Lake Hills, Unit No. 4; Canyon Lake Hills, Unit No. 5; and Canyon Lake Hills, Unit No. 6, Subdivisions located in Comal County, Texas, as provided in the Declaration.

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

Section 2. Due Date. Each annual maintenance assessment shall become due and payable on the first day of June.

Section 3. Cost Recovery. As provided in the Declaration, each Assessment shall be secured by a continuing lien upon each Lot and shall be the personal obligation of the Owner. All attorneys' fees and expenses charged to, or paid by, the Association collecting, or attempting to collect, Assessments shall become the personal obligation of the Owner as and when incurred.

Section 4. Delinquency Processing. The delinquent date for all Assessments will be the Due Date unless otherwise stated in the Declaration or action approving same.

Section 5. Notices. All 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 areas 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 rights to use the common areas as a separate mailing.

Section 6. Late Charge. A late charge of \$5.00 per month shall be incurred for any annual maintenance assessment that is not paid by the Due Date. The Board is not required to allow installment payments on any type of Assessment.

Section 7. 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. Partial payments that are accepted shall be posted in accordance with Section 209.0063 of the Texas Property Code. Any payment for less than the full amount due at the time payment is made shall not constitute waiver or forgiveness of the remaining balance. In the event that 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.

Section 8. Owner's Mailing Address. It is the responsibility of each Owner of a Lot in the Property to provide the Owner's mailing address to the Association and to promptly notify the Association in the event the Owner's mailing address changes. In order to be effective, notice of the Owner's mailing address or a change of the Owner'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 Owner's responsibility to maintain evidence of receipt by the Association of Owner's notice of address change. The Association may, at its discretion, accept a notification of a change in an Owner's mailing address sent by regular mail, however, an Owner that disputes the mailing address listed in the Association's records must be able to prove that the Owner sent an address change notification by providing evidence of receipt by the Association of Owner's notice of address change. Unless the Association is otherwise notified in writing, the Owner's mailing address shall be deemed to be the address of the Owner's Lot in the Property or the last alternative mailing address provided to the Association by the Owner in writing. All notices to an Owner pursuant to this Policy shall be mailed to the Owner at the Owner's last known mailing address. If mail to an Owner is returned undelivered, or the Association otherwise reasonably determines that the last known mailing address of the Owner 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 Owner's current mailing address or obtain the Owner's current mailing address. The failure of an Owner to receive a notice(s) or to properly notify the Association of a change in an Owner's mailing address shall in no way waive or negate the Owner's obligation to pay any Assessment or charge(s) authorized by the Declaration or state law.

Section 9. Referral of Account to Association's Attorney. Upon referral of the account to the Association's attorney, the attorney is authorized to 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 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 10. 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 11. This Collection Policy replaces and supersedes any previous collection policy, if any, adopted by the Association.

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I hereby certify that I am the duly elected, qualified and acting Secretary of the Association and that the foregoing Collection Policy was approved by 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 Comal County, Texas.

To certify which witness my hand this the 6th day of December, 2017.

CANYON LAKE HILLS PROPERTY
OWNERS ASSOCIATION

By: Michael K. Mullen

Printed: Michael K. Mullen

Its: Secretary

THE STATE OF TEXAS §
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COUNTY OF Comal §

BEFORE ME, the undersigned notary public, on this 6th day of December, 2017 personally appeared Michael Mullen, Secretary of Canyon Lake Hills Property Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and in the capacity therein expressed.

Melba J. Cunningham
Notary Public in and for the State of Texas
Melba J. Cunningham

