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Creekwood Ranches Property Owners Association, Inc.
Assessment and Fines Collection Policy

Creekwood Ranches Property Owners Association, Inc., a non-profit Texas corporation, "Association" herein governs the Creekwood Ranches Subdivision (Units 1 – 4) is subject to the Governing Documents for Creekwood Ranches Property Owners Association, Inc. The Board of Directors of the Association ("Board") is charged with the responsibility of levying and collecting assessments for the benefit of the Subdivision and its common areas. From time-to-time, homeowners might become delinquent in their timely payments of the assessments and/or fines and fail to respond to the demands from the Association to bring their accounts current, or the fines assessed for failure to timely pay same.

WHEREAS, the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly for collection to legal counsel for the Association so as to minimize the Association's loss of assessment revenue, and lessen the disproportionate burden on members who timely pay their assessments when other members fail to timely pay; and

WHEREAS, the Board of Directors of the Association desires to reaffirm and memorialize a fair and equitable Assessment and Fines Collection Policy ("Assessment Policy") governing collections of all amounts due and owing the Association; and

WHEREAS, the Governing Documents of Association, Inc., including this Policy, and provisions of Texas State Law govern the collection of assessments, fines and other charges; and

WHEREAS, the Board of the Association will post this adopted Assessment Policy to all members of the Association by posting on the Subdivision website at least 10 days prior to the effective date; and

WHEREAS, this Policy will supersede all previous collection policies of Association and may be further hereafter amended from time to time by the Board. Said Assessment Policy will not contradict the Governing Documents, and may be recorded in the Comal County Real Property Records as a governing document of the Association; and

WHEREAS, in order to facilitate the timely collection of assessments and any other amounts owed to the Association by Owners, and in order to comply with the Governing Documents and state law regarding the collection of unpaid amounts, the Board desires to establish certain procedures for the collection of assessments and fines and collection of assessments and fines that remain unpaid beyond the prescribed due date which Policy may be recorded in the Comal County Real Property Records.

NOW THEREFORE, the Assessment and Fines Collection Policy is adopted as follows:

1. Generally. The steps and procedures contained in this Policy serve as a general outline of the Association's collection process. Because of circumstances peculiar to a

particular assessment account, the Association is not required to rigidly follow this Assessment Policy as if it has no discretion when such discretion is warranted. The Association is not bound to follow these exact procedures in every collection matter except as required by the Governing Documents and/or the state laws that govern collection of assessments. The procedures below are not intended to constitute a prerequisite or condition precedent to the Associations' legal ability to collect unpaid assessments and other amounts except as required by the Governing Documents or law, but is adopted to share the default Policy with its members and demonstrate the approach by the Board to collection of assessments and any other amounts that become due and owing to the Association. Regular assessments are levied annually and are payable at the beginning of each fiscal year.

2. Ownership Interest. The current who holds title to a property(s) is a delinquent owner because assessments run with the land. Each assessment or charge is an obligation of the owner at the time of the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's property(s) in the Subdivision from and after the time the Association causes a *Notice of Delinquent Assessment Lien* to be recorded in the Comal County Real Property Records, Comal County, Texas.

3. Notice of Assessments. The Association will give the owners notice before any increase in the annual assessment or any levying of a special assessment. Notice of any assessment obligation will be sent by first-class mail to addresses on the membership register as of the date of notice, or by email to the member, and/or posted on the Association's website before any such assessment is due. If notice is by posting on the Association's website, such posting will provide constructive notice at least 30 days before the assessments are due. It is the responsibility of each owner of real property in the Subdivision to advise the Association of any mailing address changes and email address changes. The Board of Directors may elect from time to time to provide additional periodic invoices or statements of assessments and charges to owners in the discretion of the Board, but lack of such invoices or statements of any assessments do not relieve the owners of the obligation to pay assessments as they become due.

4. Designation of Agent. The Board of Directors may designate an agent or agents to collect assessment payments and administer this Collection Policy. Such designated agent may be an officer of the Association, manager, bookkeeper, banking institution, trustee company, law firm, or other appropriate agent. The Association has no duty to provide written notice to owners of such designation, but will respond to any good faith inquiry by any owner as to whether any particular agent contacting the owner is indeed an agent of the Association.

5. Assessments are Mandatory. As made clear in the Governing Documents, all assessments issued by the Association are mandatory assessments commensurate with a mandatory property owners association; no assessment obligation will be issued by the Association that is considered discretionary or part of a volunteer property owners Association.

6. Annual Assessments; Purpose; Due Dates. Annual regular assessments shall be due on the first (1st) day of June of each year. Pursuant to the Bylaws as amended, regular annual assessments are due on or before the first calendar day of June.

Generally speaking, pursuant to the Governing Documents of the Association and state law, such assessments are intended to fund the Association and provide for the benefit of the Subdivision, various insurance needs, and to otherwise maintain the common areas of the Subdivision. Such assessments are due to the Association by each owner on June 1 of each year and, because the annual assessments are due each year as mandatory assessments, while notice of the amount to the members will be announced or posted on the website and may be also sent by the owner by first class mail or as set forth above, such amounts are due by each other on June 1 of each year regardless whether any owner received notice of the annual assessment. Any assessment which is not paid on or before the Due Date shall be delinquent and may be assessed a late fee and/or interest as provided below.

7. Special assessments. Special assessments are not routine or usual and are for a special purpose as set forth in the Governing Documents and Texas state law. The amount and due date of a special assessment will be set forth in the Notice to owners as required by the law and the Governing Documents, and will not be limited to a post on the Association's website.

8. Delinquent Account. Any assessment that is not fully paid when due is delinquent. After 30 DAYS past due, an assessment, or any portion thereof, that is delinquent shall incur a late of \$25.00 per each year an arrearage (each delinquent year) on an owner's assessment account, even if the balance on the account consists only of unpaid late fees or fines previously charged by the Association. If late fees and or fine(s) are not paid in the time period set forth, the late fees and or fine(s) shall automatically be converted as part of the assessment arrearage in terms of being a lienable charge. Any collection charges or other expenses of collection, including but not limited to attorney's fees, if any, will also be added to the owners' delinquent assessment account. Prior to sending a delinquent account to the Association's legal counsel for collection, the Association will send written notice of the delinquency to the Owner via certified return receipt mail and first-class mail (the "Final Notice Letter"). If such notice is sent by certified letter, failure of the owner to accept or sign for same will still be considered notice to the owner if sent to the correct address; the mailing address of the Lot in question shall be considered the correct address even if the owner of the Lot resides elsewhere.

9. Payment Plan. An Owner wishing to cure his/her delinquency may submit a proposed payment plan to the Board for approval. All payment plans must be in writing and signed by the delinquent Owner. The Board of Directors will NOT consider any verbal payment plan requests. If the Board approves a payment plan, all fees and costs incurred during the life of the plan remain the responsibility of the Owner. If a payment plan is approved, any late fee(s) coming due during the term of such payment plan will be waived by the Association at the completion of the payment plan, unless the Owner defaults on his/her obligations under the payment plan. (See separate Payment Plan Policy for further details)

10. Fines and Enforcement. A fine that remains unpaid after the due date will bear interest at the maximum rate permitted by law or, if there is no maximum rate, then at the rate of 12% per annum. The unpaid fine, plus interest, will be automatically converted to

a lienable Assessment secured by a lien on the property granted to the Association by the Governing Documents.

11. Late Fees. Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, charges for preparation of delinquency notices or referral to collection, postage and copies, and attorney's fees and costs, shall become an additional charge against the owner and the owner's property(s) and shall be subject to collection pursuant to this Policy. In the event any assessment, fines, or any portion thereof, is not paid in full on or before the Delinquency Date, a late fee in the amount of \$25.00 shall be assessed against the Owner for each year an Owner has a balance. Any late fee will be converted to an assessment fee if not pay prior to the next assessment year. Such late fee, as when levied, will become part of the assessment upon which it has been levied and, as such, will be subject to recovery in the manner provided for herein for assessments. The Board may, in its sole discretion, waive the collection of any late fee; provided, however, that the waiver of any late fee shall not constitute a waiver of the Board's right to collect any future assessments or late fees.

12. Partial Payments/Restrictive Endorsements. Checks with restrictive endorsements will be returned to the payer and not accepted. Partial payments will be accepted or rejected at the discretion of the Board. Partial payments will not suspend collection activity. Late fees still apply.

13. Return Check Fees. There is a \$25.00 charge for returned checks, plus any bank charge to the Association for which the Association is responsible. Said charge of \$25.00 for each returned check will become due and payable to the Association for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments or fines or late fees or interest owing to the Association with respect to such Owner's property. Any return check fee or charge becoming due and payable pursuant to this Paragraph will be added to the amount then outstanding on an owner's account and is collectible by the Association to the same extent and in the same manner as an unpaid assessment.

14. Property Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the property for which assessments are due, if such notice is mailed, will be sent to the most recent address of such Owner solely as reflected by the records of the Association. In order to change the mailing address, the Owner shall provide the Association with written and reasonable notice delivered to the Association with the Owner's updated mailing address and/or email address for purposes of the Association mailing or notifying the owner.

15. Notification of Owner's Representative. Where the interest of an Owner in a property have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a property(s) have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to the this Policy will be deemed full and

effective for all purposes – as if given or transmitted directly to the owner - if given to such representative or agent in a written notice.

16. Notification of Mortgage Lender. The Association may but is not required to notify the mortgage lender if an owner in the Subdivision defaults on their payment obligations to the Association.

17. Cancellation of Debt. The Board in its sole discretion may waive the payment of any monies due; 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, but is not required to, report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.

18. Suspension of Use of Certain Facilities or Services. The Board may suspend the right of an owner's right to use of the Common Area amenities by an Owner, or his or her tenant(s) and guests, whose account with the Association is delinquent for at least 90 (ninety) days.

19. Independent Judgement. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association may exercise their independent, collective, and respective judgment in applying this policy.

20. Other Rights. This Assessment Policy is in addition to and does not subtract from the rights of the Association to collect assessments under the Restrictions and the laws of the State of Texas.

21. Notices. Unless the Restrictions, applicable law, or this Assessment 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, or by email address to the owner(s). If the Association's records show that an Owner's property 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.

22. Assessment Collection Letter. Prior to May 1st an invoice will be sent via first class mail or email to the property owner's last known mailing address or email or email of the owner registered with the Association, showing the current assessment fee along with any prior balances owed, due and payable by June 1st.

23. Remedies and Legal Action. If an Owner fails to cure the delinquency within the time period stated in the Assessment Collection Letter or its equivalent, the Association may at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's lienable assessment obligation and may be collected as provided for herein or as otherwise allowed by law.

At the direction of management, the Board or legal counsel for the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it, including, but not limited to, the following:

- a. Initial Delinquent Assessment Collection Notice Letter. After June 1st, as the initial correspondence to a Delinquent Owner, the board or counsel will send a Delinquent Assessment Collection Notice letter (the "Notice Letter"), via first class mail to the Owner, at his last known mailing address, or email of the owner registered with the Association, advising the Owner that the account is now delinquent and late fees may be added to the account.
- b. A Second Notice of Delinquent Assessment and/or Other Fees Notice. A second or final notice (the "Final Notice Letter") will be sent via certified mail, return receipt requested, and first-class mail, to the property owner's last know mailing address as reflected in the records maintained by the Association. This Notice will not be sent earlier than current state law allows after the Initial Delinquent Assessment letter. This notice will notify the Owner that if he/she or it does not timely pay the Total Amount shown, now including late fees, or enter into a Payment Plan for the referenced arrearage, a lien on the underlying property may be filed in the Real Property Records of Comal County for which such preparation, filing and collection costs or other expenses could be added to the account.
- c. Attorneys fees liability accrues. If there is failure by the Owner to timely pay in response to the certified mail Final Notice Letter identified in 22 b. above, or enter into a Payment Plan by the expiration of the date set forth in the certified Final Notice Letter, Owner would, after this date, also become legally responsible for all legal fees and collection costs thereafter reasonably incurred by the Association if the Board refers the matter to its legal counsel for collection, including but not limited to filing suit and collecting on a judgment and/or foreclosure.
- d. Assessment Lien Filing. If an Owner fails to cure the delinquency indicated in the above Second Notice of Delinquent Assessment Letter sent by certified mail, so long as the lien assessment filing is no sooner than state law allows from the Second Notice of Delinquent Assessment set forth in 21 b above, upon being requested to do so by the Board, the board or its counsel may prepare and record in the Real Property Records of Comal County, a written notice of lien (referred to as the "Notice of Lien"). Although not required by law a copy of the Lien Filing may but is not required to be sent to the Owner, together with an additional demand for payment in full of all amounts then outstanding.
- e. Foreclosure. In the event that the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceeding, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. This Collection Policy makes it unnecessary for the Board of Directors to vote formally on the foreclosure action

against a delinquent Owner's property, meeting the requirements of a foreclosure action.

- f. **Bankruptcy.** Upon notification of a petition in bankruptcy, the Association will refer the account to its legal counsel. Owner must provide the Case No. and petition date. Once a bankruptcy filing by an owner identifying the debt of the Association is verified, the Association will cease further direct collection communications with such Owner as the law requires, without prejudice to the Association seeking further recourse against the Owner or the lien property as allowed by the Bankruptcy Code.
- g. **Lienholder Notification.** If an Owner is delinquent in the payment of assessments or other amounts levied against the Owner, the Association may but is not required to notify other Lienholders of the default and/or the Association's intent to foreclose on its lien.
- h. **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.

24. **Abandoned Funds.** If any Owner has a credit on their assessment account as to a Lot or Property and moves, sells their Property/lot, dies or otherwise no longer becomes a member so that their ledger or assessment account is closed, and the Owners does not leave a forwarding address with the Association or otherwise claim the surplus or excess funds in such assessment account within two years of no longer being a member /Owner, the Association may consider such funds abandoned after which the Association may place such funds in the general funds of the Association.

25. **Amendment of Policy.** This Assessment Policy may be amended from time to time by the Board.

26. **Severability and Legal Interpretation.** 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 Governing Documents, the Governing Documents controls.

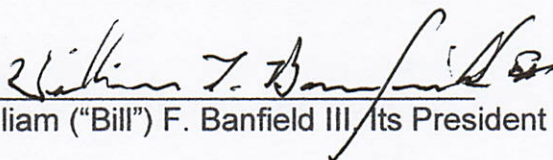
27. **Address of the Association and the Board of Directors.** Owners should make payments to the address as directed by the designated agent. If no address is given, payments, request for payment plans, written correspondence including responses and changes to mailing address should be sent to the Association at the following address:

**Creekwood Ranches Property Owners Association
12000 Summer Meadows
Spring Branch, TX 78070**

IT IS FURTHER RESOLVED that this Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the collection of assessments by the Association and is effective hereof, to remain in force and effect until revoked, modified or amended.

IN WITNESS WHEREOF, as President of Creekwood Property Owners Association. Inc., I hereby acknowledge that the members of the Board of Directors (of Creekwood Property Owners Association. Inc., specifically William "Bill" F. Banfield III, Barbara Senulis, John Ousset, Karla Gilbert, Marilyn Salazar, Harry Salinas and Terry Peel, at a duly called meeting of the Board with notice to the membership, voted in favor of passing the foregoing Assessment and Fines Collection Policy on the 23 day of February 2026.

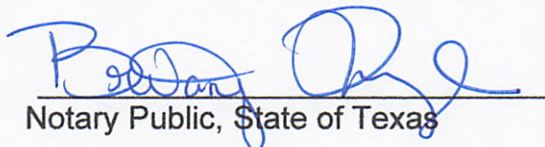
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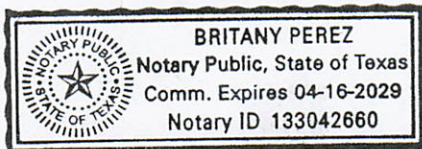
By 
William ("Bill") F. Banfield III, Its President

State of Texas
County of Comal

Before me, the undersigned authority, on this day personally appeared William "Bill" Banfield III, known to me to be the person whose name is subscribed to the foregoing document, and being by me duly sworn, declared that he is the President of Creekwood Property Owners Association. Inc and that the statements in the preceding paragraph regarding the Board adopting same as its Policy is true and correct, and that said Policy passed by the Board of Directors on the date and in the manner as set forth above.

Given under my hand and seal of office on this 13 day of March 2026.


Notary Public, State of Texas





This page has been added to comply with the statutory requirements that the clerk shall stamp the recording information at the bottom of the last page.

This page becomes part of the document identified by the file clerk number affixed on preceding pages.

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Comal County, Texas
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