

COLLECTION POLICY
for
KISSING TREE COTTAGES CONDOMINIUMS ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

I, Chris Martin, Board President of Kissing Tree Cottages Condominiums Association, Inc. (the "Association"), do hereby certify that in the open session of a meeting of the Board of Directors ("Board") of the Association, duly called and held on the 25th day of June, 2025, 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 property encumbered by this Collection Policy is that property restricted by the Development Area Declaration and Declaration of Condominium Regime for Kissing Tree Cottages Condominiums, recorded in the Condominium Records of Hays County, Texas, under Clerk's File No. 20002667 as same has been or may be amended and/or supplemented from time to time ("Declaration"), and any other property which has been or may be subsequently annexed thereto and made subject to the authority of the Association.
2. Pursuant to the authority vested in the Association under Section 82.102(a)(12) of the Texas Uniform Condominium Act ("TUCA"), the Board has duly adopted the following Collection Policy.
3. Section 82.102(a)(13) of TUCA provides the Association with the authority to adopt and amend rules regulating the collection of delinquent assessments.
4. The Board enforces the provisions of the Declaration applicable to the Property to address the collection and processing of assessments and associated charges.
5. 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 in accordance with the following policy:

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

1.1. **Assessment** - The Regular Assessment and other assessments including, but not limited to, Special Assessments, Utility Assessments, Individual Assessments, Deficiency Assessments, and Master Assessments. Pursuant to Section 82.113 of TUCA, the term "Assessment" also includes dues, fees, charges, interest, late fees, fines, collection costs, attorney's fees, and any other amount due to the Association by the Unit Owner or levied against the Unit by the Association.

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

a. Documents:

- (1) Development Area Declaration and Declaration of Condominium Regime for Kissing Tree Cottages Condominiums
- (2) First Amendment to the Development Area Declaration and Declaration of Condominium Regime for Kissing Tree Cottages Condominiums
- (3) Second Amendment to the Development Area Declaration and Declaration of Condominium Regime for Kissing Tree Cottages Condominiums
- (4) Declaration of Annexation and Third Amendment to the Development Area Declaration and Declaration of Condominium Regime for Kissing Tree Cottages Condominiums

b. Recording Information:

- (1) Hays County Clerk's File No. 20002667
- (2) Hays County Clerk's File No. 20022920
- (3) Hays County Clerk's File No. 20027683
- (4) Hays County Clerk's File No. 21008131

c. 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.

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

Section 2. Master Assessments. Each Unit is subject to the terms and provisions of the Master Documents, and accordingly, each Owner will also be a mandatory member of the Master Association and be required to pay Master Assessments to the Master Association in

accordance with the Master Documents. Unless the Master Association elects otherwise (which election may be made at any time), the Association will collect the Master Assessments payable to the Master Association in accordance with the Master Covenant. In lieu of the Master Association mailing a notice of Master Assessments to each Unit Owner, the Master Association has the option to mail a statement of Master Assessments to the Association for each of the Unit Owners. The Master Association's remittance of a statement of Master Assessments to the Association for the Unit Owners will not be construed as a waiver of the Master Association's right to collect Master Assessments from the Unit Owners. If the Association fails to timely collect any portion of the Master Assessments due and owing from the Owners, then the Master Association may collect such Master Assessments allocated to a Unit on its own behalf and enforce its lien against the Unit without joinder from the Association.

Section 3. Due Date. Regular Assessments are due annually, with quarterly installments of the total annual Regular Assessments to be paid on the first calendar day of each quarter or on such other date or frequency as the Board may designate in its sole and absolute discretion. Utility Assessments, Special Assessments, Individual Assessments, Deficiency Assessments, and Master Assessments are due on the date specified in the notice of Assessment or, if no date is stated, within ten (10) days after the notice of Assessment is given.

Section 4. Cost Recovery. As provided in the Declaration and/or by Section 82.113 of the Texas Property Code, each Assessment shall be secured by a lien upon each Unit and shall be the personal obligation of the Owner. All costs of collection, expenses, and fees charged to, or paid by, the Association in collecting or attempting to collect the Assessments shall be assessed against the Unit and shall also become the personal obligation of the Owner of the Unit as and when incurred. Cost of collection shall include, but not be limited to, charges imposed by the Association for sending collection notices/letters, charges imposed by the Association's management company for sending collection notices/letters, charges imposed by the Association's management company for administering/monitoring delinquent accounts, and attorney fees.

Section 5. Delinquency Processing. Unless otherwise stated in the Declaration, an Assessment is considered delinquent if not paid on or before the Due Date.

Section 6. Delinquency Notices. The Association shall send at least one delinquency notice to the Owner before turning the account over to the Association's collection agent. All notices sent to the Owner shall contain notice of the amount then due.

Section 7. Interest and Late Fees. If an Assessment is not paid by the Due Date, the Assessment shall bear interest from the Due Date at the rate of ten percent (10%) per annum. Additionally, if an Assessment is not paid by the Due Date, a late fee of \$25 and 1.5% interest will also become due from the Owner. Only one late fee shall be levied for each month.

Section 8. Suspension of Voting Privileges. If an Owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right to vote appurtenant to the Owner's Unit during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. When the Association suspends an Owner's right to vote, the suspended Owner may nevertheless

participate as a Member of the Association for the activities outline in Section 10.06 of the Declaration. If the number of suspended Members exceeds thirty percent (30%) of the total Members (co-Owners of a Unit constituting one Member), all Members are eligible to vote. Before the Board votes to suspend a Member's right to vote, the Member must have been given an opportunity to attend a Board meeting to present the Member's position, including any defense. The meeting at which the Member is given an opportunity to present the Member's position may be the same Board meeting at which the Board votes to suspend the Member's right to vote; provided, however, the vote to suspend the Member's right to vote must occur after the time allocated for the Member to present the Member's position.

Section 9. Suspension of Amenity Access. The Association may suspend the right of Owners and Residents to use Common Elements (except rights of ingress and egress) for any period during which the Owner or Resident violates the Documents, including periods of delinquency. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents. Before the Board votes to suspend an Owner's right to use the Common Elements, the Owner must have been given an opportunity to attend a Board meeting to present the Owner's position, including any defense. The meeting at which the Owner is given an opportunity to present the Owner's position may be the same Board meeting at which the Board votes to suspend the Owner's right to use the Common Elements; provided, however, the vote to suspend the Owner's right to use the Common Elements must occur after the time allocated for the Owner to present the Owner's position.

Section 10. Partial Payments. The acceptance of a partial payment on an Owner's account does not constitute a waiver of the Association's right to collect the full outstanding balance due on said Owner's account.

Section 11. Payment Application. Pursuant to the authority granted to the Association in Section 82.102(a)(13) of the Texas Property Code, all payments received by the Association shall be applied in the following order unless otherwise specified in the Declaration: (a) fines; (b) deed restriction attorney fees; (c) collection attorney fees; (d) collection cost; (e) any remaining charge other than fines, interest and assessments; (f) interest; (g) monthly assessments (beginning with the oldest unpaid monthly assessment); and (h) special assessments (beginning with the oldest unpaid special assessment).

Section 12. 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 shall incur a dishonored check processing fee in the amount of \$25.00 to offset the additional processing involved. A dishonored check notice may (but is not required to) be sent requesting payment in full by cashier's check or money order. The Association may proceed with collection activity whether or not a dishonored check notice is sent to the Owner. 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 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 13. Owner's Mailing Address. It is the responsibility of each Owner of a Unit 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 mailing is provided by the United States Postal Service or a common carrier. 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 a method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier. Unless the Association is otherwise notified in writing, the Owner's mailing address shall be deemed to be the address of the Owner's Unit 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. Any costs incurred by the Association to verify an Owner's current mailing address or obtain an Owner's current mailing address shall be, to the extent permissible under the Association's Dedicatory Instruments and state law, charged to the Owner. 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 Assessments or any other charge(s) authorized by the Declaration or state law.

Section 14. 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 of or action needed by the Board other than the adoption of this Policy by the Board 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) any portion of an Assessment levied in the current year is delinquent; and/or (b) any portion of an Assessment levied in a previous year 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 15. 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.

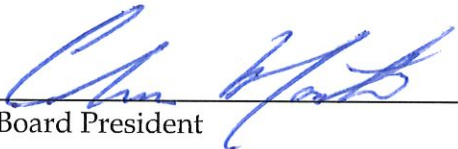
The Association's Board of Directors shall have the right, but not the obligation, to evaluate each delinquency on a case-by-case basis and proceed with collection activity as in its best judgment deems reasonable.

Section 16. This Collection Policy replaces and supersedes any previous collection policy, if any, adopted by the Association.

CERTIFICATION:

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 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 Hays County, Texas.

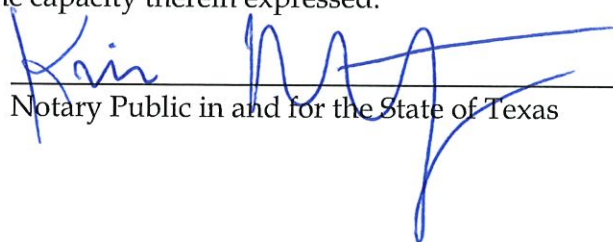
**KISSING TREE COTTAGES CONDOMINIUMS
ASSOCIATION, INC.**

By: 
Its: Board President

Printed: CHRIS MASTIN

THE STATE OF TEXAS §
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COUNTY OF HAYS §

BEFORE ME, the undersigned notary public, on this 25th day of JUNE,
2025, personally appeared CHRIS MASTIN, as Board President of
Kissing Tree Cottages Condominiums 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.


Notary Public in and for the State of Texas

