

***** Electronically Recorded Document *****

Cameron County

Sylvia Garza-Perez
Cameron County Clerk
Brownsville, Texas

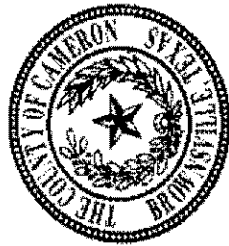
Document Number: 2015-6113
Recorded As : ELECTRONIC RECORDING

Recorded On: February 24, 2015
Recorded At: 02:45:07 pm
Number of Pages: 11
Book-VI/Pg: Bk-OR VI-20776 Pg-130
Recording Fee: \$62.00

Parties: Direct- THE SHORES OWNERS ASSOCIATION
Indirect- PUBLIC

Receipt Number: 720339
Processed By: Alejandro Cuellar

THIS PAGE IS PART OF THE INSTRUMENT



I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Official Public Records in Cameron County, Texas.

A handwritten signature in cursive script, appearing to read "Sylvia Garza-Perez", is written in black ink.

**Certificate and Memorandum for Recording of
Association Policies for
The Shores Subdivision of South Padre Island, Texas**

STATE OF TEXAS

§
§
§

COUNTY OF CAMERON

The undersigned officer for **The Shores Owners Association**, for the purpose of providing public notice of the following dedicatory instruments affecting the owners of all lots, tracts and parcels of real property within **The Shores Subdivision, Cameron County, South Padre Island, Texas** subject to that certain **Amended and Restated Declaration of Covenants, Conditions, Restrictions & Other Matters of The Shores Subdivision**, dated February 13, 2006, and filed for record in Volume 12262, Page 1, Official Records of Cameron County, Texas as amended and supplemented from time to time, including the real property platted as described in **EXHIBIT A** attached hereto (said lots, tracts and parcels hereinafter referred to as the "Shores Property"), hereby states that the instruments attached hereto are true and correct copies of the following policies of the Association:

- **Attachment 1: Assessment Collection Policy and Guidelines for Alternate Payment Plans (Rev. 2/21/2015)**

All persons or entities holding an interest in and to any portion of the Shores Property are subject to the foregoing instruments.

IN WITNESS WHEREOF, Shores Owners Association has caused this Certificate and Memorandum of Recording of Dedicatory Instruments for the Shores Owners Association to be filed of record in the Office of the County Clerk of Cameron County, Texas.

STATE OF TEXAS

§
§
§

COUNTY OF CAMERON

Shores Owners Association


By:


Richard J. Franke,
Vice-President

BEFORE ME, the undersigned Notary Public, on this day personally appeared **Richard J. Franke**, Vice-President for the Shores Owners Association, known to me to be the person whose name is subscribed on the foregoing instrument and acknowledged to me that he executed the same for the purposes therein expressed and in capacity therein stated.

GIVEN UNDER MY HAND AND AFFIRMED SEAL OF OFFICE on this 23rd day of February, 2015.




Notary Public, State of Texas

AFTER RECORDING, PLEASE RETURN TO:

THE FRANKE LAW FIRM, P.C.
8605 Padre Blvd.
South Padre Island, Texas 78597

EXHIBIT A
Subdivision Recording Data

The recording data for the subdivision is as follows:

Subdivision or Map Description	Filed Date	Volume	Page	Book
SHORES SUBD PHASE 1 SEC 1	9/10/1998	C1	1664B	Cameron County Map Records
SHORES SUBD PH 1 SEC 1	10/9/1998	C1	1674B	Cameron County Map Records
SHORES SUBD PHASE 1 SEC 2	1/16/2003	C1	2220B	Cameron County Map Records
SHORES SUBD PH 1 SEC 3	12/17/2004	C1	2454B	Cameron County Map Records
SHORES SUBD PHASE 1 SEC 2	1/3/2005	C1	2563B	Cameron County Map Records
SHORES SUBD MARINA VILL PH SEC 1	2/1/2006	C1	2648A	Cameron County Map Records
MARINA BOAT DOCKS AT THE SHORES	2/22/2006	12287	112	Cameron County Official Public Records
SHORES SUBD MARINA VILLAGE PH SEC 1	4/12/2006	C1	2695B	Cameron County Map Records
SHORES SUBD PH 1 SEC 2	5/3/2006	C1	2673A	Cameron County Map Records
SHORES SUBDIVISION PH 1 SEC 2	1/19/2007	C1	2766B	Cameron County Map Records
SHORES SUBD MARINA VILLAGE PH SEC 1	5/18/2007	C1	2816B	Cameron County Map Records
SHORES SUBD PH 1 SEC 3 REPLAT	6/25/2007	C1	2829B	Cameron County Map Records
SHORES SUBD MARINA VILLAGE PH SEC 2	6/26/2007	C1	2832B	Cameron County Map Records
SHORES SUBD MARINA VILLAGE PH SEC 1	10/23/2007	C1	2860B	Cameron County Map Records
SHORES SUBD MARINA VILLAGE PH SEC 2	12/17/2007	C1	2872A	Cameron County Map Records
SHORES SUBD MARINA VILLAGE PH REPLT SEC 2	5/22/2008	C1	2909B	Cameron County Map Records
SHORES SUBD PH 1 SEC 2 REPLAT	8/17/2012	C1	3122B	Cameron County Map Records

NOTE: Pursuant to the Amended and Restated Declaration of Covenants, Conditions, Restrictions & Other Matters of The Shores Subdivision (hereinafter the "Declaration") dated February 13, 2006, and filed for record in Volume 12262, Page 1, Official Records of Cameron County, Texas as amended and supplemented from time to time, if the Declarant named therein or any other person, firm or corporation is the owner of any property within Schedule A of the Declaration which it desires to add to the scheme of the Declaration, it may do so by filing of record a Supplemental Declaration, which shall extend the scheme of the covenants, conditions and restrictions of the Declaration to such property.

**ASSESSMENT COLLECTION POLICY
AND
GUIDELINES FOR ALTERNATE PAYMENT PLANS**

Date:

February 21, 2015

Subdivision:

The Shores Subdivision of South Padre Island

Property Owners Association:

Shores Owners Association, established by the Certificate of Formation filed with the Secretary of State of Texas on September 17, 1998, under file number 0150623701.

Declaration:

Amended and Restated Declaration of Covenants, Conditions, Restrictions & Other Matters of The Shores Subdivision, dated February 13, 2006, and filed for record in Volume 12262, Page 1, Official Records of Cameron County, Texas as amended and with any supplements and annexations thereto (the "**Declaration**")

Background Regarding Adoption of Policy: The Shores Subdivision is a community (the "Community") created by and subject to the Declaration. The operation of the Community is vested in The Shores Owners Association (the "Property Owners Association"), acting through its board of directors (the "Board"). The Property Owners Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, the Bylaws and rules of the Property Owners Association (collectively, the "Restrictions"), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Declaration.

The Board hereby adopts this Assessment Collection Policy and Guidelines for Alternate Payment Plans to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Declaration. Terms used but not defined in this policy will have the meaning subscribed to such terms in the Declaration. This amends and replaces the Assessment Collection Policy and Guidelines for Alternate Payment Plans previously adopted on February 18, 2013.

Section 1. DELINQUENCIES, LATE CHARGES & INTEREST

1-A. Due Date. An Owner will timely and fully pay Regular Assessments and Special Assessments. Regular Assessments are assessed quarterly and are due and payable on the

first calendar day of the month at the beginning of each quarter, or in such other manner as the Board may designate in its sole and absolute discretion.

1-B. Delinquent. Any Regular Assessment that is not fully paid by 5 P.M. on the thirtieth day following the commencement of the applicable quarter is delinquent (hereinafter the "Delinquency Date"). Any Special Assessment or other assessment authorized by the Declaration that is not fully paid by 5 P.M. by the due date established by the Board is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full — including collection costs, interest and late fees.

1-C. Late Fees & Interest. If the Property Owners Association does not receive full payment of an assessment by the Delinquency Date, the Property Owners Association may levy a late fee of 5% of the delinquent assessment and/or interest, pursuant to the Declaration, if stated therein, or at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date therefore (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.

1-D. Liability for Collection Costs. The defaulting Owner is liable to the Property Owners Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Property Owners Association in collecting the delinquency.

1-E. Insufficient Funds. The Property Owners Association may levy a charge of \$40 for any check returned to the Property Owners Association marked "not sufficient funds" or the equivalent.

1-F. Waiver. Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board.

Section 2. INSTALLMENTS & ACCELERATION

If an Assessment, other than a Regular Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Property Owners Association may declare the entire Assessment in default and accelerate the due date on all remaining installments of the Assessment. An Assessment, other than a Regular Assessment, payable in installments may be accelerated only after the Property Owners Association gives the Owner at least fifteen (15) days prior notice of the default and the Property Owners Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Property Owners Association has no duty to reinstate the installment program upon partial payment by the Owner.

Section 3. PAYMENTS

3-A. Application of Payments. After the Property Owners Association notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, any payment received by the Property Owners Association shall be applied to the

Owner's debt in the following order of priority, 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 assessment;
- (2) any current assessment;
- (3) any attorney's fees or third party collection costs incurred by the association associated solely with assessments or any other charge that could provide the basis for foreclosure;
- (4) any attorney's fees incurred by the association that are not subject to Subdivision (3);
- (5) any fines assessed by the association; and
- (6) any other amount owed to the association.

3-B. Payment Plans. The Property Owners Association shall offer a payment plan to a delinquent Owner in accordance with the Guidelines for Alternate Payment Plans set forth Section 4 hereof. If an Owner fails to comply with the terms and provisions of a payment plan between the Owner and the Property Owners Association, the Property Owners Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

3-C. Form of Payment. The Property Owners Association may require that payment of delinquent Assessments be made only in the form of cash, cashier's check, or certified funds.

3-D. Partial and Conditioned Payment. The Property Owners 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 Property Owners Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Property Owners Association occurs when the Property Owners Association posts the payment to the Owner's account. If the Property Owners 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 Property Owners Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Property Owners Association of partial payment of delinquent Assessments does not waive the Property Owners Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

3-F. Notice of Payment. If the Property Owners Association receives full payment of the delinquency after recording a notice of lien, the Property Owners Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner. The Property Owners Association may require the Owner to prepay the cost of preparing and recording the release.

3-F. Correction of Credit Report. If the Property Owners Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Property Owners Association will report receipt of payment to the credit reporting service.

Section 4. GUIDELINES FOR ALTERNATE PAYMENT PLANS

4-A. Purpose. The Property Owners Association establishes these guidelines to allow owners who are delinquent in payment of a debt to the Property Owners Association to pay the debt in partial payments to avoid monetary penalties. However, delinquency in payment of a debt may result in nonmonetary penalties, such as loss of privileges. For purposes of these guidelines, monetary penalties do not include reasonable costs associated with administering the payment plan or interest.

4-B. Costs Associated with Administering the Plan and Interest. Payments under a payment plan will incur a \$10.00 administrative fee, which will accrue monthly, throughout the duration of the payment plan. Additionally, interest will accrue monthly on the outstanding debt at the rate of seven per cent (7%) per annum.

4-C. Duration. Subject to the limitations herein, the Property Owners Association shall offer a payment plan to a delinquent Owner with a maximum term of 18 months from the date of the owner's request for a payment plan.

4-D. Request for Payment Plan. To be entitled to pay a debt under a payment plan, an owner who is delinquent on a debt must submit a written request to the Property Owners Association.

4-D. Limitation on Amount of Payment Plan Requests. Owners can make no more than 2 requests for a payment plan within a twelve-month period. The Property Owners Association is not required to enter into a payment plan agreement with an owner who failed to honor the terms of a previous payment plan agreement during the two years following the owner's default under the previous payment plan agreement.

Section 5. COLLECTION PROCEDURES

5-A. Delegation of Collection Procedures. From time to time, the Property Owners Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Property Owners Association's managing agent, an attorney, accountant or a debt collector.

5-B. Delinquency Notices. If the Property Owners Association has not received full payment of an Assessment by the due date, the Property Owners Association may send written notice of nonpayment to the defaulting Owner in accordance herewith. The notice shall be sent to the defaulting Owner by certified mail, return receipt requested and shall:

- (1) specify each delinquent amount and the total amount of the payment required to make the account current;
- (2) describe the options the owner has to avoid having the account turned over to a collection agent, including information regarding availability of a payment plan through the association; and
- (3) provide a period of at least 30 days for the owner to cure the delinquency before further collection action is taken.

The notice may state that if full payment is not timely received, the Property Owners Association may pursue any or all of the Property Owners Association's remedies, at the sole cost and expense of the defaulting Owner. The Property Owners Association may not hold an Owner liable for fees of a collection agent retained by the Property Owners Association unless the association first provides written notice as provided above.

5-C. Verification of Owner Information. The Property Owners Association may obtain a title report to determine the names of the Owners and the identity of other lien-holders, including any mortgage company.

5-D. Collection Agency. The Board may employ or assign the debt to one or more collection agencies, however, any agreement between the Property Owners Association and the Property Owners Association's collection agent may not prohibit the Owner from contacting the Property Owners Association board or the Property Owners Association's managing agent regarding the Owner's delinquency.

5-E. Notification of Mortgage Lender. The Property Owners Association may notify other lienholders shown in the deed records relating to the property that is the subject of the Property Owners Association assessment lien.

5-F. Notification of Credit Bureau. The Property Owners Association may report the defaulting Owner to one or more credit reporting services.

5-G. Collection by Attorney. If the Owner's account remains delinquent for a period of one hundred eighty (180) days, the manager of the Property Owners Association or the Board of the Property Owners Association may refer the delinquent account to the Property Owners Association's attorney for collection (note that the aforementioned 180-day period applies to the total delinquency and is not to be construed as 180 days after the notice described in 5-B above). In the event an account is referred to the Property Owners Association's attorney, the Owner will be liable to the Property Owners Association for its legal fees and expenses to the extent allowed by law. Upon referral of a delinquent account to the Property Owners Association's attorney, the Property Owners Association's attorney will provide the following notices and take the following actions unless otherwise directed by the manager of the Property Owners Association:

- (1) Initial Notice/Verification of Property Owners Association's Notice: The attorney will verify that the Property Owners Association sent a notice in accordance with 5-B above; if it is deemed necessary to send the attorney may do so at the cost of the Association. If the initial delinquency notice was sent by the Property Owners Association, or if the attorney sent the initial delinquency notice and the account remains unpaid by the deadline set forth therein, the attorney will proceed to the notice provided, below.
- (2) First Notice: the attorney will prepare and forward a the Notice of Demand for Payment Letter demanding that the account be brought current within 30 days of the date of the letter. If the account remains unpaid by the deadline set forth therein, the attorney will proceed to the Lien Notice provided, below.
- (3) Lien Notice: the attorney will prepare a Lien Notice and Demand for Payment Letter and record a Notice of Unpaid Assessment Lien in the deed records relating to the property that is the subject of the Property Owners Association assessment lien. If the account remains unpaid by the deadline set forth therein, the Board will determine if it wants to proceed with foreclosure of the lien and/or a personal suit against the Owner. Based on the same, the attorney will proceed to the Final Notice provided, below.
- (4) Final Notice: the attorney will prepare a Final Notice of Demand for Payment Letter. If the Board has determined that it wants to pursue foreclosure of the lien, the notice will include an Intent to Foreclose, whereupon if the account remains unpaid by the deadline set forth therein and upon specific approval by a majority of the Board, the attorney will proceed to foreclosure of the lien in accordance with Texas law. If the Board has determined that it wants to pursue a personal judgment against the Owner, which shall not waive any lien rights held by the Association, the notice will include an Intent to Commence Suit for Personal Judgment, whereupon if the account remains unpaid by the deadline set forth therein and upon specific approval by a majority of the Board, the attorney will proceed with such suit.
- 5-H. Notice of Lien. The Property Owners Association's attorney may cause a notice of the Property Owners Association's Assessment lien against the Owner's property to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may also be sent to any other lienholders shown in the deed records relating to the property that is the subject of the Property Owners Association assessment lien.
- 5-I. 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 Property Owners Association, in which case the Property Owners Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.
- 5—J. Suspension of Use of Certain Facilities or Services. The Board may suspend the use of the Common Area amenities by an Owner, or his tenant, whose account with the

Property Owners Association is delinquent for at least thirty (30) days, but only after providing written notice to the Owner by certified mail, return receipt requested. Said notice must:

- (1) describe the violation or property damage that is the basis for the suspension action and state any amount due the association from the Owner; and
- (2) inform the Owner that the Owner:
 - a) is entitled to a reasonable period to cure the violation and avoid the suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months;
 - b) may request a hearing under Texas Property Code Section 209.007 on or before the 30th day after the date the owner receives the notice; and
 - c) may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the Owner is serving on active military duty.

Section 6. GENERAL PROVISIONS

6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Property Owners Association may exercise their independent, collective, and respective judgment in applying this policy.

6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Property Owners Association to collect Assessments under the Property Owners Association's Restrictions and the laws of the State of Texas.

6-C. Limitations of Interest. The Property Owners 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 Restrictions or any other document or agreement executed or made in connection with this policy, the Property Owners 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 Property Owners 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 Special Assessments and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

6-D. Notices. Unless the Restrictions, 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 Property Owners Association's records, or on personal delivery to the Owner. If the Property Owners 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 Property Owners

Association, pursuant to this policy, will be deemed given on actual receipt by the Property Owners Association's president, secretary, managing agent, or attorney.

6-F. Amendment of Policy. This policy may be amended from time to time by the Board.