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

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY  
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*J. Shi*

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**THE VILLAS OF SOUTH PADRE OWNERS ASSOCIATION, INC.  
COLLECTION AND PAYMENT PLAN POLICY**

**SUBDIVISION:** The Villas of South Padre, as described on Exhibit "A" hereto.  
**ASSOCIATION:** The Villas of South Padre Owners Association, Inc.

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Pursuant to the authority vested in the Declaration, the Association has the power to levy assessments, both regular and special, and collect dues and other amounts (hereinafter "assessments") from the property owners subject to the Declaration, as well as maintain a lien against the individual property owner's lots subject to the Declaration.

The Association is desirous of adopting a plan for the payment and collection of assessments and any other amount owed, so as to place all current and future property owners subject to the Declaration (hereinafter the "Owners") on notice, provide uniformity in and transparency to the collection procedure and process, and comply with applicable sections of the Texas Property Code.

The Association hereby adopts the following plan for the collection and payment of assessments and any other amount owed; to-wit:

**I. ANNUAL ASSESSMENTS**

1.01. The Association shall levy regular annual assessments in accordance with the Declaration against each property owner (hereinafter "Owner") and lot subject to the Declaration. The annual assessment shall be set according to procedure set forth in the Declaration and shall become due and payable on a quarterly basis, in advance.

1.02. The Association's fiscal year shall run from July through June of the following year. Notice of the establishment of the assessment for the fiscal year shall be sent by the Association to each Owner.

**II. SPECIAL ASSESSMENTS**

2.01. The Association has the power and authority to levy special assessments as provided for in the Declaration. Any special assessment levied by the Association shall be due and payable by each Owner within thirty (30) days of the establishment of same.

Notwithstanding, the Association may elect to have the special assessment paid over a period of up to one (1) year, providing a discount to any Owner who pays the special assessment within thirty (30) days of the levy of same.

2.02. Notice of any special assessment and the obligation of each Owner to pay same within thirty (30) days shall be sent according to the Declaration to the Owner's last known address on file with the Association.

III. COLLECTION PROCESS

3.01. Upon any Owner becoming delinquent in the payment of any assessment or any other amount owed, the Association shall send notice of same to the Owner's last known address on file with the Association and provide said Owner with notice of the delinquency and thirty (30) days in which to pay all past due and owing assessment and any other amount owed (including but not limited to late fees for the past due amount) (hereinafter the "First Notice").

3.02. In the event the Owner does not pay the delinquent assessments or other amount owed as provided for in the First Notice, the Association shall send a second notice to the Owner that: (a) specifies each delinquent amount and the total amount of the payment required to make the delinquent account current; (b) describes the options the delinquent property owner has to avoid having the account turned over to a collection agent, including information regarding the availability of a payment plan through the Association; and (c) provides a period of at least thirty (30) days for the delinquent property owner to cure the delinquency before further collection action is taken (hereinafter the "Second Notice"). The Second Notice shall be sent via certified mail, return receipt requested.

3.03. In the event a property owner does not pay the delinquent assessments and dues in conformity with the Second Notice, the Association shall turn-over the property owner's account to a duly licensed attorney for collection, the filing of a lien claim and initiation of litigation, including, but not limited to an action to foreclose the lien claim, if necessary. The delinquent property owner shall be responsible for the payment of all attorney's fees and costs of collection, including, but not limited to, recording fees and court costs.

IV. PAYMENT PLAN

4.01. If, at any time during the Collection Process described in Section III, the delinquent property owner requests to be placed in a payment plan, the Association shall take the amount of delinquent assessments, late fees, attorney's fees, collection fees and any other amount owed up until the date of request, and shall permit the delinquent property owner to pay said sum, in equal payments, over a period of three (3) months (hereinafter the "Payment Plan"). The first (1<sup>st</sup>) payment pursuant to the Payment Plan shall commence within thirty (30) days from the date of said request and delinquent property owner shall pay the Association interest at a rate of ten percent (10.0%) per annum, or at the maximum rate allowable under

*Sept. 1, 2021 Texas Legislature Property Code Amendment  
now 45 days*

applicable State and Federal Laws at the time the interest begins to accrue, on all amounts subject to the Payment Plan as a convenience charge and to defray and off-set the cost associated with processing and administering of the Owner's delinquent account.

4.02. During the period of time in which the delinquent property owner is in the Payment Plan, said property owner shall continue to be responsible for the payment of all current and accruing assessments and other amounts owed.

4.03. In the event that the delinquent property owner fails to make a payment when due pursuant to the Payment Plan or fails to keep current on all accruing assessments and other amounts owed during the Payment Plan, the Payment Plan shall immediately terminate. In the event of the termination of the Payment Plan, the Association shall accelerate all payments due under the Payment Plan, proceed with the collection process as described in Section III, and delinquent property owner shall not be afforded the opportunity to pay the delinquent assessments and other amounts owed in payments.

4.04. An Owner who failed to honor the terms of a previous payment plan during the two (2) years following the property owner's default under the previous payment plan is not eligible to enter into a payment plan prescribed by this Section IV.

#### V. MISCELLANEOUS

5.01. It is the sole responsibility of each Owner to provide an address to the Association where correspondence may be sent. In the event that an Owner fails to provide an address to the Association, in writing, then the Association shall be deemed to have complied with any notice requirement contained herein by sending notice to the address of the Owner's lot and/or the Owner's address as listed with the Cameron Appraisal District.

5.02. The address of the Association for any notice required hereunder shall be the address of the Association as set forth in the Management Certificate on file in the Official Records of Cameron County, Texas.

5.03. If there be more than one property owner per lot subject to the Declaration, the obligations hereunder imposed upon said property owners shall be joint and several, and notice to any one owner of a lot shall be deemed notice to all owners of said lot.

5.04. Unless otherwise noted herein, each term used herein shall have the same meaning as said term is used in the Declaration.

5.05. Any interest charged on any delinquent assessments or dues as called for in this document shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; and any interest in excess of that maximum amount shall be credited on the principal of the delinquent assessments or dues or, if that has been paid, refunded. It is the intention of the association to conform strictly to

the usury laws as now or hereafter construed by the courts having jurisdiction.

5.06. The Association's waiver of the enforcement of any provision of this document does not waive any delinquent assessments or other amounts owed by an Owner. Nor does the Association's forbearing to enforce one or more of the remedies provided in this document or by law on a default by an Owner waive the default. Furthermore, the Association's acceptance of payment from an Owner following delinquency in the payment of assessments or other amounts owed under this document or the Declaration does not waive the Owner's delinquency or the rights of the Association under this document or the Declaration.

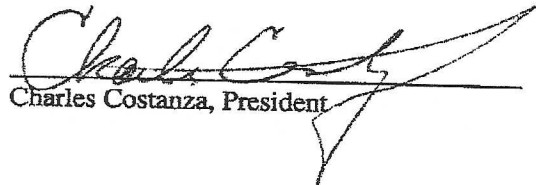
5.07. This document is being adopted by the Association in order to comply with the Texas Property Code.

5.08. If any terms or provisions of this document shall be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality, and enforceability of the remaining provisions hereof and thereof shall not in any way be affected or impaired thereby.

**CERTIFICATION OF PRESIDENT**

I hereby certify that, as President of the Villas of South Padre Owners Association, Inc., the foregoing Collection & Payment Plan Policy was approved on the 3<sup>rd</sup> of November 2012, at a meeting of the Board of Directors at which a quorum was present.

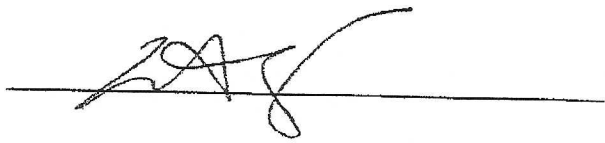
DATED, this the 3<sup>rd</sup> day of November, 2012.

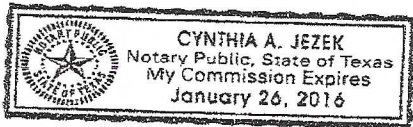
  
Charles Costanza, President

THE STATE OF TEXAS    §  
  §  
COUNTY OF CAMERON   §

BEFORE ME, on this day personally appeared Charles Costanza, the President of the Villas of South Padre Owners Association, Inc., known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that he executed the same for the purposes herein expressed and in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal this the 3<sup>rd</sup> day of November, 2012.





Notary Public for the State of Texas

**EXHIBIT A**

Lot Numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 18, 25, 26, 32, 39, 40, 33A, 33B, 34A, 34B, 35A, 35B, 42A, 42B, 43A, 43B, 44A, 44B, 45A, and 45B, Block Number Three (3), THE VILLAS OF SOUTH PADRE, a Subdivision in the Town of South Padre Island, Cameron County, Texas, according to the map or plat thereof recorded in Cabinet I, Page 1594-B and Amended in Cabinet I, Page 1697-A, Map Records of Cameron County, Texas; and

Lot Numbers 11, 13, 14, 15, 17, 19, 20, 21, 23, 24, 27A, 27B, 28A, 28B, 30A, 30B, 31, 41, 42, 43, and 44, Block Number Three (3), THE VILLAS OF SOUTH PADRE, a Subdivision in the Town of South Padre Island, Cameron County, Texas, according to the Map or plat thereof recorded in Cabinet I, Pages 1886A & B, Map Records of Cameron County, Texas.