

EXECUTED this 31 day of DECEMBER, 2024

Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake,
A Texas non-profit corporation

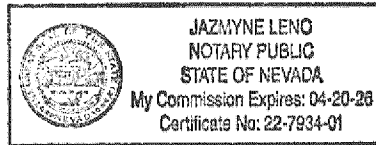
By: [Signature] DAN TAYLOR
Duly Authorized Officer/Agent,
Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake

STATE OF ^{Nevada} ~~TEXAS~~ § COUNTY OF ^{Clark} ~~NAVARRO~~

This instrument was acknowledged before me on the 31st day of December, 2024 by Dan Taylor, authorized representative of Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake, a Texas nonprofit corporation, on behalf of said corporation.

[Signature]
Notary Public in and for the State of ~~Texas~~ Nevada

After Recording, Return to:
Manning & Meyers, Attorneys at Law
4340 N. Central Expressway, Suite 200
Dallas, TX 75206



WHEREAS, an amendment to the Declaration of Covenants, Conditions and Restrictions for Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake was recorded at Instrument #2022-009608 on September 9, 2022 in the Real Property Records of Navarro County, Texas, entitled "Fourth Amendment to the Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens Sandy Cove Ranch on Richland Chambers Lake" (the "Fourth Amendment to the Declaration");

WHEREAS, the Bylaws for Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake were recorded in the Real Property Records of Navarro County, Texas, entitled "Bylaws of Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake" (the "Bylaws").

WHEREAS, pursuant to Section 209.0094 of the Texas Property Code

"Section 1. Sec. 209.0094. ASSESSMENT LIEN FILING.

- (a) In this section, "assessment lien" means a [A] lien, lien affidavit, or other lien instrument evidencing the nonpayment of assessments or other charges owed to a property owners' association.*
- (b) An assessment lien [and] filed in the official public records of a county is a legal instrument affecting title to real property.*
- (c) Before a property owners' association files an assessment lien, the association must provide notices of delinquency in accordance with Subsections (d) and (e).*
- (d) The first notice of delinquency must be provided:*
 - 1) by first class mail to the property owner's last known mailing address, as reflected in records maintained by the association; or*
 - 2) by e-mail to an e-mail address the property owner has provided to the property owners' association.*
- (e) The second notice of delinquency must be provided by certified mail, return receipt requested, to the property owner's last known mailing address, as reflected in the records maintained by the association, not earlier than the 30th day after notice is given under Subsection (d).*
- (f) A property owners' association may not file an assessment lien before the 90th day after the date notice of delinquency was sent to the property owner under Subsection (e).*
- (g) Subsections (c), (d), and (e) do not apply to a property owners' association providing a property owner covered by the Servicemembers Civil Relief Act (50 U.S.C. Section 3901 et seq.) the protections to which the owner is entitled under the Act.*

Section 2. Section 209.0094, Property Code, as amended by this Act, applies only to an assessment that becomes delinquent on or after the effective date of this Act. An assessment that becomes delinquent before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose."

WHEREAS, Pursuant to Article IV, Section 4.2(a) of the Declaration of the Association, "The

right of Declarant or the Association to prescribe and modify, from time to time, reasonable rules, regulations and policies governing, and to charge fees and/or deposits (e.g., key and access card deposits) related to, ownership of any property in the Addition, including (without limitation) the use, operation and maintenance of the Common Properties, rules limiting the number of Guests who may use a Lot and/or the Common Properties, imposing fines for infractions of such regulations, and requiring releases or waivers of liability from all Owners, Residents and Guests prior to use of or presence on any of the Common Properties..."

WHEREAS, Pursuant to Article V, Section 5.1 of the Declaration of the Association, *"Subject to Section 5.3(c), Declarant, for each Lot owned by it, hereby covenants and agrees, and each Owner of any Lot, by acceptance of a Deed therefore, whether or not reference to the covenants shall be so expressed in any such Deed or other conveyance, shall be deemed to have covenanted and agreed (and such covenant and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot so as to have affected the purchase price) to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):*

- (a) Annual Assessments;*
- (b) Special Assessments, and, to the extent applicable, Special Group Assessments, to be fixed, established and collected from time to time as hereinafter provided; and*
- (c) Individual Assessments (including fines) levied against individual Members to reimburse the Association for (i) extra or unusual costs incurred for items such as (but not limited to) (A) maintenance and repairs to portions of the Additions required to be made as a result of the willful misconduct or negligent acts of the individual Member and/or its Residents or Guests; or (B) the remedy, cure or minimizing of problems caused by, or as a result of, violations of these Covenants by a Member and/or its Residents or Guests; and (ii) costs incurred relating to or resulting from violations by individual Members and/or its Residents or Guests of rules and regulations established by the Association.*

The Annual, Special, Special Group, and Individual Assessments, together with such late charges, interest and costs of collection thereof as are hereinafter provided, shall be a charge running with the land and shall be a continuing lien upon each Lot against which each such Assessment is made and shall also be the continuing personal obligation of the then-existing Owner of such Lot at the time when the Assessment fell due. Subject to applicable state law, each Owner shall be directly liable and responsible to the Association for the conduct, acts and omissions of such Owner and its respective Residents and Guests associated with the Addition."

WHEREAS, Pursuant to Article VI, Section 6.2(a) of the Declaration of the Association, *"(a) The affairs of the Association shall be conducted by its Board. Any action by a majority of the Directors shall constitute an act of the Board, on behalf of the Association. The Board, for the benefit of the Association, the Addition and Members, may provide and may pay for, out of the Assessment fund(s) provided for in Article V, costs and expenses incurred in connection with the operation and affairs of the Association, including, without limitation, the matters described in subsection (b) below. If for any reason during the Development Period, the Board is not deemed authorized to act for and on behalf of the Association, Addition and Members, then Declarant may exercise the powers and authority*

granted under this Section 6.2, to act for and on behalf of the Association, Addition and Members, and the Association shall reimburse Declarant for any and all reasonable expenses incurred in so acting."

WHEREAS, Pursuant to Article VI, Section 6.2(c) of the Declaration of the Association, "*(c) The Association shall have the following additional rights, powers and duties: ...*

- (vi) To make reasonable rules and regulations for the operation and management of the Association and/or Common Properties and to amend them from time to time; ...*
- (viii) To prepare an annual operating budget and to make an annual financial report available for review by each Owner, upon the written request of an Owner, at the Association offices within ninety (90) days after the end of each Fiscal Year;*
- (ix) Pursuant to Article VII, to adjust the amount of, collect and use any insurance proceeds to repair damaged or replace lost property, and if proceeds are insufficient to repair damaged or replace lost property, to assess Owners in proportionate amounts to cover the deficiency;*
- (x) To provide adequate reserves for maintenance, repairs, operations, taxes and assessments for the Common Properties;*
- (xi) To engage the services of attorneys and accountants (including an annual audit) in connection the business of the Association;*
- (xii) To enforce the provisions of the Governing Documents and to enjoin and seek damages from any Owner for violation of such provisions or rules; and*
- (xiii) To exercise any and all powers, rights and duties of the Association as set forth in the Governing Documents and those general and implied powers of a property or home owner's association."*

IN WITNESS WHEREOF, the undersigned members of the Board of Directors of Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake certifies that this Assessment Collection Policy was approved by a majority vote of the Board of Directors.

ATTACHMENT, the undersigned member of the Board of Directors of Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake hereby attaches a copy of the Assessment Collection Policy.

that assessment. Further, the personal liability for unpaid assessments passes to the successors in title to a Lot. As used herein, the term "Delinquent Owner" refers to that person who held title to a Lot on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who then holds title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

3. Due Dates. Pursuant to Article V, Section 5.1(a) of the Declaration, the Board may levy assessments on an annual basis. Pursuant to Article V, Section 5.6 of the Declaration, the due date for Regular Annual Assessments is due on or before January 1 of such year. The due date for a Special Assessment, Deficiency Assessments or Individual Assessment shall be set by the Board in the notice of assessment to the Owners. The due date for any assessments shall be collectively referred to in this Assessment Collection Policy as the "Due Date". Any Regular Annual Assessment that is not received by the Association within thirty (30) days of the Due Date is delinquent (the "Delinquency Date").
4. Payment Plan. An Owner may request to enter into a Payment Plan to pay delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties, with the exception of reasonable costs associated with administering the payment plan and interest. Such payment plan request must be made in writing and may be transmitted via email or first class mail to the Association's Managing Agent or to the Association's Attorney. An owner may propose a payment plan to the Board, but the Board will be under no obligation to accept the owner's plan as proposed and in its discretion may offer a different payment term with a minimum term of 2 months and a maximum of 12 months. The Association shall not be required to allow an owner to enter into more than one payment plan per year. Once a letter has been sent to an owner pursuant to Texas Property Code Section 209.0064(b)(3), the Association is not required to allow an owner to enter into a payment plan, but may do so at the its own discretion.
5. Courtesy Letter. If an assessment has not been paid within ten (10) days following the Due Date, the Association will send to the Owner a Courtesy Letter (referred to as the "Courtesy Letter") notifying the owner that the assessment is late.
6. Late Notice. If an assessment has not been paid within the thirty (30) days following the Due Date, the Association will send to the Owner a default notice (referred to as the "Late Notice") making formal demand for payment of all outstanding amounts. The Default Letter will be sent via First Class United States Mail or via email and will, at a minimum, include the following information:
 - a. The unpaid assessments, interest, late charges, collection cost and the handling charges claimed to be owing.
 - b. A statement that if either (i) the delinquency is not cured in full within thirty (30) days of the date of the Owner's receipt of the Late Notice or (ii) the Owner does not dispute in

writing the amount set forth in the Late Notice within thirty days of the Owner's receipt of the Late Notice, the delinquency will be assumed to be valid and will be referred to the legal counsel for the Association for further collection action including the possibility of seeking foreclosure of the assessment lien, and that once such referral has occurred all attorney's fees and related costs incurred will be charged the Owner of the Lot.

7. Demand Letter. If an assessment has not been paid within the sixty (60) days following the Due Date, the Association will send to the Owner a default notice (referred to as the "Demand Letter") making formal demand for payment of all outstanding amounts. The Demand Letter will be sent via Certified Mail, Return Receipt Requested and will, at a minimum, include the information as set forth under Section 209.0064 of the Texas Property Code. An owner shall have forty-five (45) days to respond to the Demand Letter.
8. Late Fees. In the event any assessment, or portion thereof, is not paid in full and received by the Association on or before thirty (30) days from the Due Date, the Association shall charge the Owner a late fee of \$100.00 and for each thirty (30) day period thereafter until the amount owing is paid in full. Such late fees, as and when accrued hereunder, will become part of the assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein and in the Declaration for assessments.
9. Interest- In the event any assessment, or any portion thereof, is not paid in full and received by the Association on or before thirty (30) days after the Due Date, interest on the principal amount due may be assessed against the Owner, the rate of said interest to be eighteen percent (18%) per annum, but not in excess of the maximum rate allowed by applicable law, and shall accrue from the Delinquency Date until paid. Such interest, as and when accrued hereunder, will become part of the assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein and in the Declaration for assessments.
10. Handling Charges and Return Check Fees. In order to recoup for the Association the cost incurred as a result of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of the Assessment Collection Policy:
 - a. Any handling charges, administrative fees, postage or other expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner.
 - b. A charge of \$100.00 per item will become due and payable 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 owing with respect to such Owners Lot.

- c. Any fee or charge becoming due and payable pursuant to this Paragraph will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.
11. Priority of Payments- All monies received by the Association will be applied to amounts outstanding in accordance with Texas Property Code Section 209.0063. If at the time a payment is received an owner is in default under a Payment Plan, the guidelines under Section 209.0063 do not apply and the payment may be applied in any order, however, a fine may not be given priority over any other amount due and owing.
12. 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 a Lot (as defined by Article I of the Declaration) for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Assessment Collection Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.
13. Notification of Owner's Representative. Where the interests of an Owner in a Lot 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 interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Assessment Collection Policy will be deemed full and effective for all purposes if given to such representative or agent.
14. Referral to Legal Counsel. If an Owner remains delinquent in the payment of assessment and related costs for more than forty-five (45) days after the sending of the Demand Letter (as provided for above), Management, on behalf of the Board, or the Board may, as soon as possible thereafter, refer the delinquency to the legal counsel for the Association for the legal action as required by this Assessment Collection Policy. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the assessment obligation and may be collected as such as provided herein and in the Declaration.
15. Legal Action. Legal counsel for the Association will take the following actions with regard to delinquencies referred to it upon legal counsel's receipt of a written request by Management and/or the Board to take a specific collection:
- a. Title Search. Counsel will conduct a search of the land records to verify current Ownership of the Lot on which the delinquency exists. If the title search indicates that the Current

Owner is other than the Delinquent Owner, counsel will communicate that fact to the Association. A determination will then be made by the Board whether to pursue collection of the unpaid assessments from the Delinquent Owner or the Current Owner or both. Based on that determination, the Board and/or Management will direct counsel to proceed according to this Assessment Collection Policy. Where the title search confirms that the Current Owner is the Delinquent Owner, the Association, Management and counsel will likewise proceed according to this Assessment Collection Policy.

- b. Attorney Demand Letter. As the initial correspondence to a Delinquent Owner, counsel will send a demand letter (the "Attorney Demand Letter") to the Owner providing notice of the total as all outstanding assessments and related charges. This notice shall be sent via First Class mail and via Certified Mail, Return Receipt Requested. If the amount owing is disputed by the Owner within forty-five (45) days of Owner's receipt of the Attorney Demand Letter, Management and/or Legal Counsel will provide verification of the amounts claimed to be owing in accordance with this Policy.
- c. Notice of Lien. Should the Owner not enter a payment plan or pay the amount in full within 45 days of the Attorney Demand Letter, counsel will cause to be prepared, executed by a Board Member or Attorney of the Association, and recorded in the Real Property Records of Navarro County, a written notice of lien (referred to as the "Notice of Lien") setting forth therein the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot covered by the lien. A copy of the Notice of Lien will be sent to the Owner contemporaneously with the filing of same with the County Clerk's office, together with a demand for payment in full of all amounts then outstanding, within thirty (30) days of the date of the transmittal to the Owner of the Notice of Lien.
- d. Pre-Foreclosure Demand Letter. Should the Owner not enter a payment plan or pay the amount in full within 30 days of the Notice of Lien, counsel will send a Pre-Foreclosure Demand Letter (the "Pre-Foreclosure Letter") to the Owner providing notice of the total of all outstanding assessments and related charges, including the charges for the attorney's fees and cost incurred for counsel's services.
- e. Foreclosure. When the Board has directed that the collection action to be taken is foreclosure of the assessment lien, the continued delinquency of unpaid assessments owing will be reported to the Board and Management and both shall direct counsel to initiate foreclosure of the property. In any foreclosure proceedings, the Owner shall be required to pay the cost and expense of such proceedings, including reasonable attorney's fees, interest and late fees owing. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its assessment lien.

16. Verification of Indebtedness. Where an Owner timely requests verification of the indebtedness, Management or the Attorney for the Association will, upon notification of the Owner's request,

supply such verification before any further collection action is taken with respect to such Owner. The cost to reply to requests for Verification shall accrue as a charge upon the Owner's account and must be payable by the Owner.

17. Compromise of Assessment Obligation. In order to expedite the handling of collection of delinquent assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any assessment, interest, late fee, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any assessment obligation.
18. Community Amenities. Owners with any delinquent balances greater than 30 days are subject to have their access to the pool or any other community amenities removed.

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

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of the same and has not been modified, rescinded or revoked.

(signature page follows)

EXECUTED this 26th day of December, 2024

Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on
Richland Chambers Lake,
A Texas non-profit corporation

By: [Signature]
DAN TAYLOR

Duly Authorized Officer/Agent,
Sandy Cove Ranch Community Association, Inc. a/k/a Sandy Cove Ranch on
Richland Chambers Lake

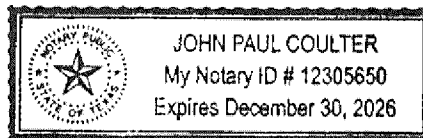
STATE OF TEXAS

§

COUNTY OF NAVARRO

This instrument was acknowledged before me on the 26th day of December,
2024 by Dan Taylor, authorized representative of Sandy Cove Ranch Community
Association, Inc. a/k/a Sandy Cove Ranch on Richland Chambers Lake, a Texas nonprofit corporation,
on behalf of said corporation.

[Signature]
Notary Public in and for the State of Texas



After Recording, Return to:
Manning & Meyers, Attorneys at Law
4340 N. Central Expressway, Suite 200
Dallas, TX 75206

FILED ELECTRONICALLY

**THE STATE OF TEXAS
COUNTY OF NAVARRO**

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Navarro County, Texas.

2025-000389 MEM
01/16/2025 02:06:51 PM Total Fees: \$73.00

Sherry Dowd, County Clerk
Navarro County, Texas

