Serenity Pines

SERENITY PINES RESIDENTIAL ASSOCIATION, INC.
COLLECTION, BOARD HEARING, AND PAYMENT PLAN POLICY

STATE OF TEXAS §
§
COUNTY OF LIBERTY §

I. PURPOSE

The purpose of this Collection, Board Hearing, and Payment Plan Policy (the "***Policy***") is to establish a systematic procedure for (a) the collection of Assessments of Serenity Pines Residential Association, Inc., a Texas nonprofit corporation (the "***Association***"), (b) Board hearings related to certain collections of Assessments, and (c) for the purpose of identifying the guidelines under which Owners may request an alternative payment schedule for certain Assessments. The Board of Directors of the Association (the "***Board***") has determined that it is in the best interest of the Association to establish this Policy for property subject to its jurisdiction.

II. APPLICABILITY AND AUTHORITY

The property encumbered by this Policy is that property restricted by the Declaration of Covenants, Conditions, and Restrictions for Serenity Pines (Residential Property), recorded under Clerk's File No. 2026022712 in the Official Public Records of Liberty County, Texas, as same has been and may be amended from time to time (the "***Declaration***"), and any other property which has been and may be subsequently annexed into Serenity Pines and made subject to the authority of the Association.

Reference is made to the Declaration for all purposes. Unless otherwise set forth in this Policy, the capitalized terms used in this Policy are defined in the same manner as set forth in the Declaration and the interpretation provision set forth in the Declaration applies to this Policy, which definitions and interpretation provision are incorporated in this Policy for all purposes by this reference.

Pursuant to the Dedicatory Instruments governing the Property, the Board is vested with the authority to adopt policies, rules, and guidelines.

The Board adopts this Policy, which runs with the land and is binding on all Owners and Lots within the Property. The provisions of this Policy are in addition to any other applicable guidelines, rules, or policies. This Policy is effective upon the recording of same. After the

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effective date, in the event of a conflict between the terms of this Policy and any previously adopted guidelines, rules, or policies addressing the subjects contained in this Policy, this Policy will control.

Invalidation of any one or more of the covenants, conditions, restrictions, or provisions contained in this Policy will in no way affect any one of the other covenants, conditions, restrictions, or provisions of this Policy, which remain in full force and effect.

III. COLLECTION, BOARD HEARING, AND PAYMENT PLAN POLICY

For purposes of this Policy, "***Assessments***" means each assessment levied against a Lot pursuant to the Declaration, a Supplemental Amendment, or another Dedicatory Instrument, for the purposes set out in the applicable Dedicatory Instrument, together with any other dues, fees (with such fees to include attorney's fees, late fees, and any other fees authorized by a Dedicatory Instrument), charges, interest, fines, collection costs, and any other amount, sum, or payment of financial obligations due or owed to the Association; provided, however, that interest, fines, costs, fees, charges, or other sums owed may be separately referred to as context requires.

A. Collection Policy and Board Hearings

1. ASSESSMENT PERIOD

The Board has the duty of establishing and adopting an annual budget, in advance, for each fiscal/calendar year of the Association covering the estimated costs of operation of the Association during each year.

2. NOTICE

Written notice of the Assessment due may be sent to every Owner subject to the Assessment. An Owner may not escape liability or be entitled to a deferral of interest, fines, or collection costs with regard to delinquent Assessments on the basis of such Owner's failure to receive notice if such notice was sent to the most recent address of the Owner according to the records of Association. Each Owner has the obligation to notify the Association in writing of any change in address, which change becomes effective 5 days after written notice has been received.

3. DUE DATE

All Assessments are due and payable on the due dates set forth in the Dedicatory Instruments or as may be determined by the Board, as applicable. Any Assessment due the Association that is not paid in full on the due date is delinquent 30 days after the due date, unless otherwise provided for in the Dedicatory Instruments. Charges disputed by an Owner are considered delinquent until such time as they are paid in full.

Payments received after the due date are considered delinquent and the entire amount due may be transferred to a Payment Plan, as set forth in Section B of this Policy.

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4. INTEREST

Unless otherwise provided for in the Dedicatory Instruments, if an Assessment is not paid on or before the due date, the Assessment will bear interest from the due date at the rate set forth in the Declaration until the Assessment is paid in full.

5. DELINQUENCY NOTIFICATION

The Association may cause to be sent one or more of the following notification(s) to delinquent Owners:

a. PAST DUE NOTICE: In the event that an Assessment account balance remains unpaid after the due date (or there is a default on a Payment Plan entered into prior to the Past Due Notice), a Past Due Notice may be sent via regular mail to each Owner with a delinquent account setting forth all Assessments. The Past Due Notice will contain a statement that the entire remaining unpaid balance of the Assessment is due. The Association is not required to send a Past Due Notice.

b. FINAL NOTICE: In the event an Assessment account balance remains unpaid after the due date (or there is a default on a Payment Plan entered into prior to the Final Notice), a Final Notice may be sent via certified mail to each delinquent Owner. The Final Notice may also be sent by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier to the Owner's last known address as shown on the Association's records, as well as by any other method that the Board determines that the Final Notice may be sent to the Owner.

1) Final Notice *without* Suspension of Common Areas: If the collection of the delinquent Assessment does not include a suspension of the right to use one or more Common Areas, the Final Notice must set forth the following information and the result of failure to pay, including an explanation of:

i. Amounts Due: All delinquent Assessments and the total amount of the payment required to make the account current;

ii. Options: If the Owner has a right to a Payment Plan, as set forth below, the options the Owner has to avoid having the account turned over to a collection agent or legal counsel, including information regarding availability of a Payment Plan through the Association;

iii. Period to Cure: A period of at least 45 days for the Owner to cure the delinquency before further collection action is taken; and

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iv. Payment Plan: The Final Notice must contain a statement that the entire remaining unpaid balance of the Assessment is due and that the Owner is entitled to a Payment Plan as set forth in Section B of this Policy. **In the event an Owner chooses to enter into a Payment Plan, interest and a monthly charge may be added to each delinquent Owner's account balance for administrative costs related to the Payment Plan, and such additional administrative costs will continue until the entire balance is paid in full.**

*TURNOVER TO COLLECTION AGENT/ATTORNEY: If a Final Notice is sent to an Owner, the account may be sent to a collection agent or the Association's attorney for collection, and any fees and expenses may be charged to the Owner's Assessment account once the Owner's period to cure has expired.

2) Final Notice *with* Suspension of Common Areas: If the collection of the delinquent Assessment includes a suspension of the right to use one or more Common Areas, the Final Notice must set forth the following information and the result of failure to pay, including an explanation of:

i. Amounts Due: All delinquent Assessments and the total amount of the payment required to make the account current;

ii. Options: If the Owner has a right to a Payment Plan, as set forth below, the options the Owner has to avoid having the account turned over to a collection agent or legal counsel, including information regarding availability of a Payment Plan through the Association;

iii. Period to Cure: A period of at least 45 days for the Owner to cure the delinquency before further collection action is taken;

iv. Hearing: Owners must be given notice and an opportunity for a hearing before the Board. A hearing must be granted if a written request for a hearing is received by the Association not more than 30 days from the date the Final Notice is mailed to the Owner.

If a hearing is requested within 30 days from the date the Final Notice is mailed to the Owner, further collection procedures are suspended until the hearing process is completed and the period to cure has expired;

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v. Payment Plan: The Final Notice must contain a statement that the entire remaining unpaid balance of the Assessment is due and that the Owner is entitled to a Payment Plan as set forth in Section B of this Policy. **In the event an Owner chooses to enter into a Payment Plan, interest and a monthly charge may be added to each delinquent Owner's account balance for administrative costs related to the Payment Plan, and such additional administrative costs will continue until the entire balance is paid in full;**

vi. Common Area Rights Suspension: If a hearing is not requested within 30 days from the date the Final Notice is mailed to the Owner, the Owner's right to use one or more Common Areas may be suspended once the Owner's period to cure has expired; and

vii. Military Notice: If the Owner is serving on active military duty, the Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act.

*TURNOVER TO COLLECTION AGENT/ATTORNEY: If a Final Notice is sent to an Owner the right to use one or more Common Areas may be suspended, the account may be sent to a collection agent or the Association's attorney for collection, and any fees and expenses may be charged to the Owner's Assessment account once the Owner's period to cure has expired.

6. NOTICE OF ASSESSMENT LIEN: Prior to the filing in the Official Public Records of Liberty County, Texas of a lien, lien affidavit, or other lien instrument evidencing nonpayment of Assessments or other charges owed to the Association by an Owner ("***Assessment Lien***"), the Association must provide the Owner with notices of delinquency as provided below; provided, however, that this Section does not apply in the event the Association is providing an Owner covered by the Servicemembers Civil Relief Act the protections to which the Owner is entitled under the Servicemembers Civil Relief Act.

a. FIRST NOTICE: The first notice of the delinquency ("***First Notice***") must be provided:

1) by first class mail to the Owner's last known address, as reflected in the records maintained by the Association; or

2) by email to an email address the Owner has provided to the Association.

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b. SECOND NOTICE: The second notice of delinquency ("***Second Notice***") must be provided (i) not earlier than the 30th day after the First Notice is given and (ii) by certified mail, return receipt requested, to the Owner's last known mailing address, as reflected in the records maintained by the Association.

c. The Association may not file an Assessment Lien before the 90th day after the date the Second Notice was sent to the Owner.

7. CREDIT REPORTING SERVICES

a. PENDING DISPUTE: The Association or the Association's Collection agent may not report any delinquent Assessments to a credit reporting service that are the subject of a pending dispute between the Owner and the Association.

b. REPORTING TO A CREDIT REPORTING SERVICE: The Association may report the delinquent payment history of Assessments to a credit reporting service only if:

1) A Final Notice with a right to request a hearing was provided to the Owner in accordance with Section 2 of this Policy;

2) At least 30 business days before reporting to a credit service, the Association sends to the Owner, via certified mail, hand delivery, electronic delivery, or by other delivery means acceptable between the parties, a detailed report of all delinquent charges owed; and

3) The Owner has been given the opportunity to enter into a Payment Plan.

8. BOARD HEARING PROCEDURES REGARDING SUSPENSION OF RIGHT TO USE COMMON AREAS IN CONNECTION WITH DELINQUENT ASSESSMENTS

In the event an Owner requests a Board hearing pursuant to this Policy, the following rules apply:

a. TIMING OF BOARD HEARING: The Board hearing must be held no later than the 30th day after the date the Board receives the Owner's request for a Board hearing. The Board or the Owner may request a postponement and, if requested, a postponement must be granted for a period of not more than 10 days. Notwithstanding the foregoing, the Board hearing may be scheduled outside of these parameters by agreement of the parties.

b. NOTICE OF BOARD HEARING: The Board must provide notice of the date, time, and place of the Board hearing to the Owner not later than 10 days before

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the date of the Board hearing (the "***Notice***"). The Board hearing may be held by virtual or telephonic means, in which case the access information for the virtual or telephonic Board hearing is the "place" of the Board hearing for purposes of the Notice.

1) The Board must include with the Notice a packet containing all documents, photographs, and communications relating to the matter which the Board intends to introduce at the Board hearing (the "***Hearing Packet***").

2) If the Board fails to provide the Hearing Packet to the Owner at least 10 days before the Board hearing, the Owner is entitled to an automatic 15-day postponement of the Board hearing.

c. OWNER'S EVIDENCE: Owners are expected to provide copies of any documentary evidence the Owner intends to introduce at the Board hearing to the Board no later than 5 days before the Board hearing.

d. HEARING PROCEDURE:

1) During the Board hearing, a member of the Board or the Association's designated representative will first present the Association's case against the Owner. An Owner or an Owner's designated representative is then entitled to present the Owner's information and issues relevant to the dispute. The Board may ask questions of the Owner or the Owner's designated representative.

2) Either party may make an audio recording of the hearing.

3) All parties participating in the Board hearing are expected to treat each other professionally and respectfully. The Board reserves the right to terminate a Board hearing if the Board, in its sole and absolute discretion, determines the Board hearing has become unproductive or contentious. The Board, in its sole and absolute discretion, reserves the right to reconvene any Board hearing that is terminated pursuant to this Section.

e. RULING: The Board is not required to deliberate or to reach a determination during the Board hearing; rather, all information gleaned from the Board hearing may be taken under advisement by the Board. The Association or its managing agent may inform the Owner of the Board's decision in writing within 30 days of the date of the hearing. If there is no written communication from the Association or its managing agent within this timeframe, the violation will remain standing.

f. TIME LIMIT: The Board may set a time limitation for the Board hearing, to be determined at the Board's sole discretion. The Board may communicate the

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time limitation in any manner to the Owner and will make every effort to communicate the time limitation to the Owner in advance of the date of the hearing. The time limitation will be strictly adhered to and is intended to strike a balance between (i) allowing the Association ample time to present its case; (ii) allowing the Owner ample time to present the Owner's response; and (iii) the Board's finite amount of time available to consider such issues.

g. NUMBER OF HEARINGS: Upon receipt of a Final Notice as set forth in Section 5 of this Policy, Owners are entitled to request only 1 Board hearing as it relates to the violations set forth in the Final Notice unless the Board, in its sole and absolute discretion, agrees to allow additional hearings.

ALTERNATIVE DISPUTE RESOLUTION: In accordance with Section 209.007(e) of the Texas Property Code, an Owner or the Board may use alternative dispute resolution services.

9. REFERRAL OF ACCOUNT TO ASSOCIATION'S ATTORNEY

Upon referral of the account to the Association's attorney, the attorney is authorized to take whatever action is necessary, in consultation with the Board, to protect the Association's interests, including, but not limited to, sending demand letters; filing a lawsuit against the delinquent Owner for a money judgment; instituting an expedited foreclosure action; and filing necessary claims, objections, and motions in the bankruptcy court and monitoring the bankruptcy case.

As a prerequisite to foreclosure of the Association's lien, either the Association's attorney or the Association must send a notification via certified mail to any holder of a lien of record on the Owner's property whose lien is inferior or subordinate to the Association's lien, as evidenced by a deed of trust. The notification may also be sent by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, as well as by any other method that the Board determines that the notification may be received by such lien holder(s). Said notice will provide such lien holder with the total amount of the delinquency giving rise to the foreclosure and an opportunity to cure before the 61st day after the day the notice is mailed.

In the event the Association has determined to foreclose its lien as provided in the Declaration and to exercise the power of sale thereby granted, such foreclosure must be accomplished pursuant to the requirements of Sections 209.0091 and 209.0092 of the Texas Property Code.

10. BANKRUPTCIES

Upon receipt of any notice of a bankruptcy of an Owner, the account may be turned over to the Association's attorney so that the Association's interests may be protected.

11. REQUIRED ACTION

Nothing contained in this Policy, not otherwise required by the Declaration or by law, requires the Association to take any of the specific actions contained in this Policy. The Board has

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the right, but not the obligation, to evaluate each delinquency on a case-by-case basis as it, in its best judgment, deems reasonable.

12. PAYMENTS RETURNED NON-SUFFICIENT FUNDS

An Owner will be assessed a service charge for any check that is returned or Automatic Clearing House (ACH) debit that is not paid for any reason, including, but not limited to, Non-Sufficient Funds (NSF) or stop payment order (the "***Unpaid Amounts***"). The amount of the service charge assessed by the Association is equal to the amount charged by the financial institution related to any such Unpaid Amounts plus any administrative costs incurred by the Association as a result of such Unpaid Amounts.

B. Payment Plan

The Association establishes a Payment Plan schedule by which an Owner may make partial payments to the Association for delinquent Assessments, or any other amount owed to the Association, without accruing additional monetary penalties. Monetary penalties do not include interest or reasonable costs associated with administering the Payment Plan. Any late fees imposed prior to a request for a Payment Plan may be made part of such Payment Plan at the discretion of the Board. The Payment Plan Schedule is as follows:

1. The term for the Payment Plan is determined at the discretion of the Board but must be no less than 3 months;

2. A Payment Plan may require equal monthly payments based on the number of months for such Payment Plan, with each payment due on the first day of each month;

3. Failure to pay the first monthly payment of the delinquent amount is considered a default of the Payment Plan;

4. An Owner, upon written request, may request a longer period of time;

5. The Association is not required to enter into a Payment Plan with an Owner who failed to honor the terms of a previous Payment Plan during the 2 years following the Owner's default under a previous Payment Plan;

6. If an Owner requests a Payment Plan that extends into the next Assessment cycle, the Owner is required to pay future Assessments by the due date in addition to the payments specified in the Payment Plan;

7. The Association is not required to offer a Payment Plan to an Owner after the period to cure the delinquency has expired;

8. The Association is not required to allow an Owner to enter into a Payment Plan more than once in any 12 month period.

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C. **Application of Payments**

1. Except as provided in subsection 2 immediately below, a payment received by the Association must be applied in the following order of priority:

   a. Any delinquent Assessment;

   b. Any current Assessment;

   c. Reasonable attorney's fees or reasonable third-party collection costs incurred by the Association associated solely with Assessments or other charges that can be the basis of foreclosure;

   d. Reasonable attorney's fees not subject to "c" above;

   e. Reasonable fines; and

   f. Any other reasonable amount owed to the Association.

2. If an Owner defaults on a Payment Plan, the remaining delinquent amount will become due in full and the Association may begin further collection action as set out above. Any payment(s) received by the Association after such default of a Payment Plan must be applied in the following order of priority:

   a. Reasonable costs;

   b. Reasonable attorney's fees;

   c. Interest;

   d. Late fees;

   e. Delinquent Assessments;

   f. Current Assessments; and

   g. Reasonable fines.

As to each category identified in this subsection C, payment must be applied to the most-aged charge first. 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.

[SIGNATURE PAGE FOLLOWS]

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CERTIFICATION

I certify that, as President of the Serenity Pines Residential Association, Inc., a Texas nonprofit corporation, the foregoing Collection, Board Hearing, and Payment Plan Policy was approved on the 19th day of August, 2026, at a meeting of the Board of Directors at which a quorum was present.

DATED, this the 19th day of August, 2026.

Serenity Pines Residential Association, Inc.,
a Texas nonprofit corporation

By: _____
Print Name: Kevin Campbell
Title: President

STATE OF TEXAS §
§
COUNTY OF Liberty §

BEFORE ME, on this day personally appeared Kevin Campbell the President of the Serenity Pines Residential Association, Inc., a Texas nonprofit corporation, known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that s/he executed the same for the purposes and in the capacity stated in this instrument, and as the act and deed of said corporation.

Given under my hand and seal this the 19th day of August, 2026.

SANDRA LOPEZ MARTINS NOTARY PUBLIC STATE OF TEXAS ID 125675759 EXP. 07-31-2030

_____
Notary Public – State of Texas

After Recording Please Return To:

Roberts Markel Weinberg Butler Hailey PC
2800 Post Oak Blvd., 57th Floor
Houston, Texas 77056

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THE STATE OF TEXAS
COUNTY OF LIBERTY

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 Liberty County, Texas.

2026025962 NOT
08/25/2026 10:29:08 AM Total Fees: $65.00

Lee Haidusek Chambers,County Clerk
Liberty County, Texas