

Kaufman County
Laura Hughes
County Clerk

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STATE OF TEXAS
COUNTY OF KAUFMAN

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

Laura A. Hughes

Laura Hughes, County Clerk

Recorded By: Reece Collier, Deputy

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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AUSTIN, TX 78701



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WINSTEAD PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701
KSTOTTS@WINSTEAD.COM



HIGHBRIDGE
SECOND SUPPLEMENT TO HIGHBRIDGE COMMUNITY
MANUAL

AMENDED AND RESTATED POLICIES
ADOPTED PURSUANT TO THE 2023 LEGISLATIVE
SESSION

Kaufman County, Texas

Cross-reference to (i) Kingsborough South Development Area Declaration [Residential] [Highbridge], recorded under Document No. 2020-0008657, Official Public Records of Kaufman County, Texas (as amended or supplemented, the "Development Area Declaration"); and (ii) Highbridge Community Manual, recorded under Document No. 2020-0009432, Official Public Records of Kaufman County, Texas (as amended or supplemented, the "Highbridge Community Manual"). These policies and rules amend and supplement all previously adopted dedicatory instruments, governing documents, rules, and resolutions. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Development Area Declaration.

HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.

SUPPLEMENTAL POLICIES

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PLEASE NOTE THAT THESE POLICIES AND RULES ARE NOT ALL OF THE RESTRICTIONS, RULES, OR POLICIES FOR THE HIGHBRIDGE ASSOCIATION. THE HIGHBRIDGE ASSOCIATION HAS AMENDED THE POLICIES AND PROCEDURES IN THIS DOCUMENT TO COMPLY WITH LEGISLATIVE CHANGES MADE DURING THE 2023 REGULAR SESSION OF THE TEXAS LEGISLATURE. IN THE EVENT THESE POLICIES AND RULES CONFLICT WITH A PREVIOUSLY RECORDED DEDICATORY INSTRUMENT, THESE POLICIES AND RULES SHALL CONTROL.

INTRODUCTION

This Second Supplement to the Highbridge Community Manual (this "Supplement") is made by **LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.**, a Texas limited partnership ("Declarant"), and is as follows:

A. Declarant is the Declarant under that certain Kingsborough South Development Area Declaration [Residential] [Highbridge], recorded under Document No. 2020-0008657, Official Public Records of Kaufman County, Texas, as may be amended from time to time (the "Development Area Declaration"), and that certain Highbridge Community Manual, recorded under Document No. 2020-0009432, Official Public Records of Kaufman County, Texas, as amended and supplemented by that certain Highbridge First Supplement to Community Manual, recorded under Document No. 2022-0039427, Official Public Records of Kaufman County, Texas (collectively, the "Highbridge Community Manual"). The property subject to the Development Area Declaration is also subject to that certain Kingsborough South Master Covenant [Residential], recorded under Document No. 2018-001925, Official Public Records of Kaufman County, Texas, as may be amended from time to time (the "Master Covenant").

B. Declarant assumed certain rights under the Master Covenant pursuant to that certain Partial Assignment of Declarant's Rights, recorded under Document No. 2018-0021458, Official Public Records of Kaufman County, Texas.

C. Pursuant to *Article 1* of the Development Area Declaration, Declarant reserved the right to amend or supplement the Highbridge Community Manual during the Development Period (as defined in the Master Covenant). The Development Period has not yet expired.

D. Declarant now desires to amend the Highbridge Community Manual with the polices attached hereto. This Supplement may be amended by the Declarant during the Development Period and, thereafter, by a Majority of the Highbridge Board.

E. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Development Area Declaration and the Highbridge Community Manual.

EXECUTED to be effective as of the date this Supplement is Recorded.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Supplement on the 20
day of February, 2024.

DECLARANT:

**LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD., a Texas limited partnership**

By: U.S. Home LLC, a Delaware limited liability
company (as successor-in-interest by conversion
from U.S. Home Corporation, a Delaware
corporation), its General Partner

By: Jennifer Eller

Printed Name: Jennifer Eller

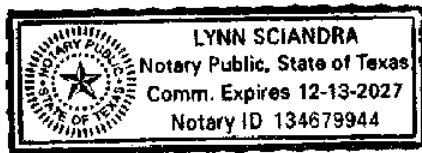
Title: Authorized Agent

THE STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me this 20 day of February, 2024,
by Jennifer Eller, Authorized Agent of U.S. Home LLC, a Delaware limited liability company (as
successor-in-interest by conversion from U.S. Home Corporation, a Delaware corporation),
General Partner of Lennar Homes of Texas Land and Construction, Ltd., a Texas limited
partnership, on behalf of said limited liability company and limited partnership.

Lynn Sciandra
Notary Public Signature

[SEAL]



TAB A

HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.

AMENDED AND RESTATED FINE & ENFORCEMENT POLICY

1. **Background.** Highbridge is subject to that certain Kingsborough South Development Area Declaration [Residential] [Highbridge], recorded in the Official Public Records of Kaufman County, Texas, as the same may be amended from time to time (the "**Development Area Declaration**"). In accordance with the Development Area Declaration, Highbridge Homeowners Association, Inc., a Texas nonprofit corporation (the "**Highbridge Association**") was created to administer the terms and provisions of the Development Area Declaration. Unless the Development Area Declaration or Applicable Law expressly provides otherwise, the Highbridge Association acts through a Majority of its board of directors (the "**Highbridge Board**"). The Highbridge Association is empowered to enforce the covenants, conditions and restrictions of the Master Covenant, Development Area Declaration, Highbridge Certificate, Highbridge Bylaws, Highbridge Community Manual, and any Highbridge Rules promulgated by the Highbridge Association pursuant to the Development Area Declaration, as adopted and amended from time to time (collectively, the "**Restrictions**"), including the obligation of Owners to pay Highbridge Assessments pursuant to the terms and provisions of the Development Area Declaration and the obligations of the Owners to compensate the Highbridge Association for costs incurred by the Highbridge Association for enforcing violations of the Restrictions.

The Highbridge Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within the Highbridge Association in compliance with the Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "**Act**"). To the extent any provision within this policy is in conflict with the Act or any other Applicable Law, such provision shall be modified to comply with the Applicable Law.

Terms used in this policy, but not defined, shall have the meanings ascribed to such terms in the Restrictions.

2. **Policy.** The Highbridge Association uses fines to discourage violations of the Restrictions, and to encourage compliance when a violation occurs – not to punish violators or generate revenue for the Highbridge Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Highbridge Association for enforcing the Restrictions. The Highbridge Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.
3. **Owner's Liability.** An Owner is liable for fines levied by the Highbridge Association for violations of the Restrictions by the Owner and the relatives, guests, employees, and agents of the Owner and Residents. Regardless of who commits the violation, the Highbridge Association may direct all communications regarding the violation to the Owner.
4. **Amount.** The Highbridge Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Highbridge

Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Restrictions. If the Highbridge Association allows fines to accumulate, the Highbridge Association may establish a maximum amount for a particular fine, at which point the total fine will be capped.

5. Violation Notice. Except as set forth in Section 5(C) below, the Highbridge Association will give (i) a written violation notice via certified mail to the Owner (at the Owner's last known address as shown in the Highbridge Association records) (the "Violation Notice") and (ii) an opportunity to be heard, if requested by the Owner. The Highbridge Association's Violation Notice will contain the following items: (1) the date the Violation Notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the Individual Highbridge Assessment, suspension action, or other charge; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid the fine or suspension; (5) the amount of the possible fine; (6) a statement that no later than the thirtieth (30th) day after the date the notice was mailed, the Owner may request a hearing pursuant to Section 209.007 of the Texas Property Code; and (7) a statement that the Owner 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 *et seq*), if the Owner is serving on active military duty. The Violation Notice sent out pursuant to this paragraph is further subject to the following:

- (A) First Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the Violation Notice will state those items set out in (1) – (7) above, along with a reasonable timeframe by which the violation must be cured to avoid the fine. The Violation Notice must state that any future violation of the same rule may result in the levy of a fine. A fine pursuant to the *Schedule of Fines* may be levied if an Owner does not cure the violation within the timeframe set forth in the notice.
- (B) Uncurable Violation/Violation of Public Health or Safety. If the violation is of an uncurable nature or poses a threat to public health or safety (as exemplified in Section 209.006 of the Texas Property Code), then the Violation Notice shall state those items set out in (1), (2), (3), (5), (6), and (7) above, and the Highbridge Association shall have the right to exercise any enforcement remedy afforded to it under the Restrictions, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*.
- (C) Repeat Violation without Attempt to Cure. If the Owner has been given a Violation Notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but commits the violation again, then the Owner shall not be entitled to an additional Violation Notice or a hearing pursuant to Section 209.007 of the Texas Property Code, and the Highbridge Association shall have the right to exercise any enforcement remedy afforded to it under the Restrictions, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*. After an Owner has been provided a Violation Notice as set forth herein and assessed fines in the amounts set forth in the *Schedule of Fines*, if the Owner has never cured the violation in response to any Violation Notices sent or any fines levied, then the Highbridge Board, in its sole discretion, may

determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Highbridge Board.

6. Violation Hearing. If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to the Highbridge Association for a hearing before the Highbridge Board to discuss and verify the facts and resolve the matter. To request a hearing, the Owner must submit a written request (the "Request") to the Highbridge Association's manager (or the Highbridge Board if there is no manager) within thirty (30) days after receiving the Violation Notice. The Highbridge Association must then hold the hearing requested no later than thirty (30) days after the Highbridge Board receives the Request. The hearing will be scheduled to provide a reasonable opportunity for both the Highbridge Board and the Owner to attend. The Highbridge Board or the Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. Notwithstanding the foregoing, the Highbridge Association may exercise its other rights and remedies as set forth in Section 209.007(d) and (e) of the Texas Property Code. Any hearing before the Highbridge Board will be held in a closed or executive session of the Highbridge Board. At the hearing, the Highbridge Board will consider the facts and circumstances surrounding the violation. Not later than ten (10) days before the Highbridge Board holds a hearing under this Section, the Highbridge Board shall provide notice to the Owner of the date, time and place of the hearing and shall provide a packet containing all documents, photographs, and communications relating to the matters the Highbridge Board intends to introduce at the hearing. If the Highbridge Board does not provide a packet within the ten (10) day time period described above, the Owner is entitled to an automatic fifteen (15) day postponement of the hearing. During the hearing, the Highbridge Board or a representative of the Highbridge Board shall first present the Highbridge Board's case against the Owner. The Owner shall attend the hearing in person, but may be represented by another person (i.e., attorney) during the hearing, upon advance written notice to the Highbridge Board. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Highbridge Board. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the Violation Notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied. Unless otherwise agreed by the Highbridge Board, each hearing shall be conducted in accordance with the agenda attached hereto as Exhibit A.

7. Due Date. Fine and/or damage charges are due immediately if the violation is incurable or poses a threat to public health or safety. If the violation is curable, the fine and/or damage charges are due immediately after the later of: (1) the date that the cure period set out in the first Violation Notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Association, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Highbridge Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Highbridge Board at such hearing.

8. **Lien Created.** The payment of each fine and/or damage charge levied by the Highbridge Board against the Owner of a Lot is, together with interest as provided in *Section 5.10* of the Development Area Declaration and all costs of collection, including attorneys' fees as herein provided, secured by the lien granted to the Highbridge Association pursuant to *Section 5.2.2* of the Development Area Declaration. The fine and/or damage charge will be considered a Highbridge Assessment for the purpose of this section and will be enforced in accordance with the terms and provisions governing the enforcement of Highbridge Assessments pursuant to *Article 5* of the Development Area Declaration.
9. **Levy of Fine.** Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices.
10. **Foreclosure.** The Highbridge Association may not foreclose its Highbridge Assessment lien on a debt consisting solely of fines.
11. **Amendment of Policy.** This policy may be revoked or amended from time to time by the Highbridge Board. This policy will remain effective until the Highbridge Association records an amendment to this policy in the county's official public records.

Schedule of Fines

The Highbridge Board has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Highbridge Board is required to provide each notice prior to exercising additional remedies as set forth in the Restrictions. The Highbridge Board may elect to pursue such additional remedies at any time in accordance with Applicable Law. The Highbridge Board also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

FINES:

New Violation:	General Violation Categories	Fine Amount:
Notice of Violation	<ul style="list-style-type: none"> • <i>Unsightly conditions on a Lot</i> • <i>Unauthorized construction or modification of Improvements</i> • <i>Landscape violations (mowing, etc.)</i> • <i>Trash container violations</i> • <i>Failure to maintain dwelling (exterior) or fencing</i> • <i>Other violations</i> 	\$25.00 (if a curable violation, may be avoided if Owner cures the violation by the time specified in the notice)
Repeat Violation (No Right to Cure or Uncurable Violation):		Fine Amount: 1st Notice \$50.00 2nd Notice \$75.00 3rd Notice \$100.00 4th Notice \$125.00

TAB A – AMENDED AND RESTATED FINE AND ENFORCEMENT POLICY – Page 4
 SECOND SUPPLEMENT TO COMMUNITY MANUAL
 HIGHBRIDGE

Continuous Violation:		Amount TBD
Continuous Violation Notice		

‡ The Highbridge Board reserves the right to adjust these fine amounts based on the severity and/or frequency of the violation.

EXHIBIT A

HEARING BEFORE THE BOARD

Note: An individual will act as the Highbridge Association's representative (the "Association Representative"). The Association Representative will provide introductory remarks and administer the hearing agenda.

I. Introduction

Association Representative: The Highbridge Board has convened to conduct a hearing at the written request of an Owner.

This hearing is being conducted as required by Section 209.007 of the Texas Property Code, and is an opportunity for the Highbridge Association and the Owner to discuss and verify facts and attempt to resolve the matter at issue. If no resolution is reached during the hearing, the Highbridge Association will communicate its decision in writing within fifteen (15) days.

II. Presentation of Facts

Association Representative: This portion of the hearing is to permit a representative of the Highbridge Association the opportunity to describe the violation and to present any information the Highbridge Association wishes to offer. After the Highbridge Association's representative has finished the presentation, the Owner or any representative will be given the opportunity to present information and issues relevant to the appeal or dispute.

[Presentations]

III. Discussion

Association Representative: This portion of the hearing is to permit the Highbridge Board and the Owner to discuss matters relevant to the violation.

IV. Resolution

Association Representative: [Announce any agreement or resolution or state that the Highbridge Board will take the matter under advisement]

V. Adjournment

Association Representative: At this time the hearing is adjourned.

TAB B

HIGHBRIDGE HOMEOWNERS ASSOCIATION, INC.

AMENDED AND RESTATED ASSESSMENT COLLECTION POLICY

Highbridge is a community (the "**Community**") created by and subject to the Kingsborough South Development Area Declaration [Residential] [Highbridge], recorded in the Official Public Records of Kaufman County, Texas, and any amendments or supplements thereto (the "**Development Area Declaration**"). The operation of the Community is vested in Highbridge Homeowners Association, Inc., a Texas nonprofit corporation (the "**Highbridge Association**"), acting through its board of directors (the "**Highbridge Board**"). The Highbridge Association is empowered to enforce the covenants, conditions and restrictions of the Master Covenant, Development Area Declaration, Highbridge Certificate, Highbridge Bylaws, Highbridge Community Manual, and any Highbridge Rules promulgated by the Highbridge Association pursuant to the Development Area Declaration, as adopted and amended from time to time (collectively, the "**Restrictions**"), including the obligation of Owners to pay Highbridge Assessments pursuant to the terms and provisions of the Development Area Declaration.

The Highbridge Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of Highbridge Assessments levied pursuant to the Restrictions. Terms used in this policy, but not defined, shall have the meanings ascribed to such terms in the Restrictions.

SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. **Due Date.** An Owner will timely and fully pay Highbridge Assessments. Regular Highbridge Assessments are assessed annually and are due and payable on the first calendar day of the month at the beginning of the fiscal year, or in such other manner as the Highbridge Board may designate in its sole and absolute discretion.
- 1-B. **Delinquent.** Any Highbridge Assessment that is not fully paid when due 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 Highbridge Association does not receive full payment of a Highbridge Assessment by 5:00 p.m. on the due date established by the Highbridge Board, the Highbridge Association may levy a late fee of \$25 per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Highbridge Assessment from the due date thereof (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 Highbridge Association for the cost of title reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorneys' fees incurred by the Highbridge Association in collecting the delinquency.
- 1-E. **Insufficient Funds.** The Highbridge Association may levy a charge of \$25 for any check returned to the Highbridge 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 Highbridge Board.

SECTION 2. INSTALLMENTS & ACCELERATION

If a Highbridge Assessment, other than a Regular Highbridge Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Highbridge Association may declare the entire Highbridge Assessment in default and accelerate the due date on all remaining installments of the Highbridge Assessment. A Highbridge Assessment, other than a Regular Highbridge Assessment, payable in installments may be accelerated only after the Highbridge Association gives the Owner at least fifteen (15) days prior notice of the default and the Highbridge Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Highbridge 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 Highbridge 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 Highbridge Association shall be applied in the following order, 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) Delinquent Assessments	(4) Other reasonable attorneys' fees
(2) Current Assessments	(5) Reasonable fines
(3) Reasonable attorneys' fees and costs associated solely with delinquent Assessments or any other charge that could provide the basis for foreclosure	(6) Any other reasonable amount

3-B. Payment Plans. The Highbridge Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months and a maximum term of twelve (12) months from the date the payment plan is requested for which the Owner may be charged reasonable administrative costs and interest. The Highbridge Association will determine the actual term of each payment plan offered to an Owner in their sole and absolute discretion, but such term shall not be longer than eighteen (18) months. An Owner is not entitled to a payment plan if the Owner has defaulted on a previous payment plan in the last two (2) years. The Highbridge Association is not required to make a payment plan available to a Highbridge Member after the Delinquency Cure Period allowed under Paragraph 5-B expires. If an Owner is in default at the time the Owner submits a payment, the Highbridge Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

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

- 3-D. Partial and Conditioned Payment. The Highbridge 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 Highbridge Board's policy for applying payments. The Highbridge Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Highbridge Association occurs when the Highbridge Association posts the payment to the Owner's account. If the Highbridge 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 Highbridge Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Highbridge Association of partial payment of delinquent Highbridge Assessments does not waive the Highbridge Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.
- 3-E. Notice of Payment. If the Highbridge Association receives full payment of the delinquency after Recording a notice of lien, the Highbridge Association will cause a release of notice of lien to be publicly Recorded, a copy of which will be sent to the Owner. The Highbridge Association may require the Owner to prepay the cost of preparing and Recording the release.
- 3-F. Correction of Credit Report. If the Highbridge Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Highbridge Association will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

- 4-A. Collection Costs. The defaulting Owner may be liable to the Highbridge Association for the cost of title reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorneys' fees incurred in the collection of the delinquency.

SECTION 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Highbridge Association may delegate some or all of the collection procedures, as the Highbridge Board in its sole discretion deems appropriate, to the Highbridge Association's Manager, an attorney, or a debt collector.
- 5-B. Delinquency Notices. If the Highbridge Association has not received full payment of a Highbridge Assessment by the due date, the Highbridge Association may send written notice of nonpayment to the defaulting Owner, by certified mail, stating: (a) the amount delinquent and the total amount of the payment required to make the account current, (b) the options the Owner has to avoid having the account turned over to a collection agent, as such term is defined in Texas Property Code Section 209.0064, including information regarding availability of a payment plan through the Highbridge Association, and (c) that the Owner has forty-five (45) days for the Owner to cure the delinquency before further collection action is taken (the "**Delinquency Cure Period**"). The Highbridge Association's delinquency-related correspondence may state that if full payment is not timely received, the Highbridge Association may pursue any or all of the Highbridge Association's remedies, at the sole cost and expense of the defaulting Owner.

- 5-C. Verification of Owner Information. The Highbridge Association may obtain a title report to determine the names of the Owners and the identity of other lien-holders, including the mortgage company.
- 5-D. Collection Agency. The Highbridge Board may employ or assign the debt to one or more collection agencies.
- 5-E. Notification of Mortgage Lender. The Highbridge Association may notify the Mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Highbridge Association may report the defaulting Owner to one or more credit reporting services. In that event, at least thirty (30) business days prior to reporting to a credit bureau, a copy of the notice shall be sent via certified mail, hand delivery or electronic delivery to the defaulting Owner, which shall include a detailed report of all delinquent charges owed and information regarding any payment plan opportunities offered to the defaulting Owner. The Highbridge Association shall not report to a credit report service any delinquent charges, fines, or fees that are the subject of a pending dispute between the defaulting Owner and the Highbridge Association. The defaulting Owner will not be liable for any costs or fees associated with any actual reporting of any delinquency to the credit reporting services.
- 5-G. Collection by Attorney. If the Owner's account remains delinquent for a period of ninety (90) days, the Manager of the Highbridge Association or the Highbridge Board shall refer the delinquent account to the Highbridge Association's attorney for collection. In the event an account is referred to the Highbridge Association's attorney, the Owner will be liable to the Highbridge Association for its legal fees and expenses. The Highbridge Association's attorney will ensure the following notices are provided in accordance with Applicable Law:
- (1) Notice of Delinquency: Preparation of written notice of delinquency. If the account is not paid in full by the deadline set forth in the notice letter, then
 - (2) Second Notice: Preparation of the second written notice of delinquency. If the account is not paid in full by the deadline set forth in the notice letter, then
 - (3) Lien Notice: Preparation of the Lien Notice Letter and recordation of a Notice of Unpaid Highbridge Assessment Lien. If the account is not paid in full by the deadline set forth in the notice letter, then
 - (4) Final Notice: Preparation of the Final Notice of Demand for Payment Letter and any notice required to be sent to any holder of a lien of record on the property whose lien is evidenced by a deed of trust and is inferior or subordinate to the Highbridge Association's lien. If the account is not paid in full within thirty (30) days, then
 - (5) Foreclosure of Lien: Only upon specific approval by a Majority of the Highbridge Board.
- 5-H. Notice of Lien. The Highbridge Association's attorney may cause a notice of the Highbridge Association's Highbridge Assessment lien against the Owner's home 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 the Owner's Mortgagee.

- 5-I. Cancellation of Debt. If the Highbridge Board deems the debt to be uncollectible, the Highbridge Board may elect to cancel the debt on the books of the Highbridge Association, in which case the Highbridge 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 Highbridge Board may suspend the use of the Common Area amenities by an Owner, or such Owner's tenant, whose account with the Highbridge Association is delinquent for at least forty-five (45) days.

NOTE: Texas law requires that at least two (2) notices precede the recording of any lien. For accounts that become delinquent on or after September 1, 2023, a lien may only be recorded after notice of the delinquency has been sent: (1) to the Owner by email using an email address the Owner has provided to the Highbridge Association or, alternatively by first-class mail (the first-class mail requirement may be satisfied by a letter sent by USPS certified mail) sent to the Owner's last known mailing address, as reflected in the records maintained by the Highbridge Association; and also (2) to the Owner, by certified mail, return receipt requested, directed to the Owner's last known mailing address, as reflected in the records maintained by the Highbridge Association. The certified letter must be sent at least thirty (30) days after the first required notice of delinquency has been sent to the Owner, and the lien may only be recorded if at least ninety (90) days have passed since the date the certified delinquency notice was sent to the Owner. The foregoing requirements conform to the requirements set forth in Chapter 209 of the Texas Property Code and apply only to the extent Applicable Law continues to require such notices before a lien may be recorded.

SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, Manager, and attorney of the Highbridge 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 limit the rights of the Highbridge Association to collect Highbridge Assessments under the Restrictions and Applicable Law.
- 6-C. Limitations of Interest. The Highbridge 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 Highbridge 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 Highbridge 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 Highbridge Assessments, or reimbursed to the Owner if the Highbridge 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 Highbridge Association's records, or on personal delivery to the Owner. If the Highbridge 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 Highbridge Association, pursuant to this policy, will be deemed given on actual receipt by the Highbridge Association's president, secretary, managing agent, or attorney.

- 6-E. Amendment of Policy. This policy may be amended from time to time by the Declarant during the Development Period and thereafter by a Majority of the Highbridge Board.