

WOODRIDGE CONDOMINIUM ASSOCIATION

ASSESSMENT COLLECTION POLICY

WHEREAS, Woodridge Condominium Association (the "Association") has authority pursuant to the Declaration of Condominium Regime Woodridge, filed of record on February 15, 1974, at Instrument No. 197400027868, Volume 74034, Page 148 *et seq.*, Condominium Records, Dallas County, Texas (hereinafter referred to as the "Declaration") as such may be amended and/or supplemented from time to time, to levy assessments against Owners of the Units (herein the "Unit" or "Units") located within the Woodridge Condominium (the "Project"); and

WHEREAS, the Association filed and recorded a Recommended Collections Program via a Notice of Filing of Dedicatory Instruments on January 5, 2000, at Instrument No. 200000856765, Volume 2000003, Page 04621 *et seq.*, in the Deed Records, Dallas County, Texas (the "Recommended Collections Program"), as such may be amended and/or supplemented from time to time; and

WHEREAS, the Association filed and recorded Rules and Regulations for the Association of Owners of Woodridge Condominium November 2014, via a Governing Instrument Affecting Woodridge Condominium Association on November 12, 2014, at Instrument No. 201400289891 in the Condominium Records, Dallas County, Texas (the "2014 Rules and Regulations"), as such may be amended and/or supplemented from time to time; and

WHEREAS, the 2014 Rules and Regulations provide, in part, that they "...replace in their entirety any and all rules and regulations previously adopted by the Board..."; and

WHEREAS, the Board of Directors (the "Board") of the Association is of the opinion that the 2014 Rules and Regulations replaced the Recommended Collections Program; and

WHEREAS, Part VI of the 2014 Rules and Regulations is entitled "Collections" and the Board desires to delete same; and

WHEREAS, the Board desires to establish revised orderly procedures for the collection and payment of assessments levied against Units that remain unpaid beyond the prescribed due dates and the application of the payments made by Owners in order to encourage Owners to promptly pay their assessment obligations; and

WHEREAS, the Board has the right and duty to enforce the provisions of the Declaration including, without limitation, the duty to assess and collect annual and special assessments from the Owners; and

NOW, THEREFORE, IT IS RESOLVED that Part VI of the 2014 Rules and Regulations, entitled "Collections", is deleted and the following procedures and practices are established for the

collection of assessments owing and to become owing by Owners in the Project and the application of payments made by Owners and the same are to be known as the "Assessment Collection Policy" for the Association in the discharge of its responsibilities regarding collection of assessments against Units:

1. Policy Objectives. The collection of, and payment of, assessments and the application of such payments made by the Board pursuant to the Declaration and pursuant to the Texas Uniform Condominium Act ("TUCA"), Chapter 82 of the Texas Property Code, as such may be amended, supplemented and/or superseded from time to time and specifically Section 82.102(a)(13) of TUCA, and this Assessment Collection Policy will be governed by the following objectives:

a. The Association will pursue collection of all installments on all assessments, including annual and special assessments, that come due.

b. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the most expedient course of action.

2. Ownership Interests. Pursuant to Article Six, Section I of the Declaration, the person who is the Owner of a Unit is personally liable for the payment of that assessment. As used herein, the term "Delinquent Owner" refers to that person, firm, operation, partnership, association, trust or other legal entity, or any combination thereof, who was the record owner of a Unit on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who was the record owner of a Unit on the date relevant to the reference herein to such person. Unless expressly denoted otherwise, the "Owner" of a Unit refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

3. Due Dates. The due date for the monthly Assessment shall be the first day of the month and such monthly Assessment is past due if received after the tenth (10th) day of the month. The due date for any Special Assessment/Charge shall be fixed in the notice to the Owner or Owners providing for any such Assessment/Charge but in no event shall it be less than ten (10) days after the date the Owners are notified of said Assessment/Charge.

The due date for the Regular Assessment, Special Assessment, or any other assessment/charge levied by the Association pursuant to the Declaration or any applicable law, shall be collectively referred to in this Assessment Collection Policy as the "Due Date". An assessment that is not paid in full on or before the Due Date in which an assessment is due, is delinquent (the "Delinquency Date"). An Owner is considered delinquent until all amounts owing to the Association have been paid in full. For purposes of this Assessment Collection Policy, an invoice is considered delivered by the Association to an Owner when such invoice is actually delivered by hand-delivery, or three (3) days after such invoice has been deposited in the United States mail, postage prepaid, by first class mail, addressed to such owner at the address as it appears on the records of the Association.

4. Required Notices and Correspondence.

Default Letter. Within ten (10) days following the Delinquency Date, the Association shall send a reminder (referred to as the "Default Letter") to the Owner making formal demand for immediate payment of all outstanding amounts. The Default Letter will be sent via certified mail, return receipt requested, and first-class United States mail, and will include the following information:

a. The Default Letter will specify the unpaid assessments, interest, late charges and costs incurred.

b. The Default Letter will inform the Owner that if the delinquency is not cured in full, including all accrued interest and other charges then owing, within thirty (30) days of the date of the Default Letter, the delinquency may 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 the Owner will then become additionally liable for all legal fees and related costs incurred.

5. Late Charges. Pursuant to Section 82.102(a)(12) of TUCA, in the event that an Owner becomes delinquent in the payment of any assessment to the Association, whether that amount consists of monthly assessments, special assessments, assessments for late charges, fines, attorney's fees, costs, etc., a late charge in the amount of \$45.00 shall be assessed against the Owner and his or her Unit in any month in which there is an outstanding balance. Such late charge, as and when levied, will become part of the assessment upon which it has been levied and, as such, will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any future assessments or late charges.

6. Interest. Pursuant to Article Six, Section I of the Declaration, in the event any assessment, or part or installment thereof, is not paid in full on or before the Due Date, the Association may collect interest at the rate of ten percent (10%) per annum, beginning thirty (30) days after the assessment is delivered, and continuing until paid. Such interest, as and when it 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 for assessments. The Board may, in its sole discretion, waive the collection of any interest; provided, however, that the waiver of any interest shall not constitute a waiver of the Board's right to collect any future assessments or interest.

7. Handling Charges and Return Check Fees. In order to recoup for the Association the costs incurred because 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 service charge of \$25.00, plus any bank charges incurred by the Association, or such other amount established by the Board (but in no event exceeding the maximum lawful amount) 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 Owner's Unit.

c. Any fee or charge becoming due and payable pursuant to this Paragraph 7 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.

8. Voting Rights. Pursuant to Section 82.102(17) of TUCA, if an Owner is delinquent for more than thirty (30) days in the payment of any assessment, the Board may suspend the voting privileges of, or the use of certain general common elements of, said Owner.

9. Application of Funds Received. All monies received by the Association, regardless of whether an Owner has placed a restrictive notation on the check or other form of payment, or in correspondence accompanying the payment, will be applied to amounts outstanding to the extent of and in the following order:

a. First to attorney's fees, then interest, fines, late charges and related collection costs incurred by or on behalf of the Association;

b. Next, to handling charges and returned check fees incurred by the Association;

c. Next to any assessment for repairs to any unit or the common elements necessitated by the action of an owner and/or the owners, family members, guests, tenants or invitees;

d. Next, to charges for maintenance service requests to individual Owners which are not a part of the common expenses of the Association;

e. Next, to delinquent special assessments;

f. Next, to delinquent monthly installments of an annual or monthly assessment;

- g. Next, to special assessments outstanding, though same may not then be delinquent; and
- h. Last, to outstanding monthly installments of an annual assessment, though same may not then be delinquent.

10. 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 Unit 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, in both cases reflected by the records of the Association as being the Owner and address for a given Unit, 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 of any change in the identity or status of such Owner or its address or both.

11. Notification of Owner's Representative. Where the interests of an Owner in a Unit 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 Unit 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.

12. Mortgagee Notification. Pursuant to Article Six, Section K(2) and Article Six, Section K(3) of the Declaration, the Association shall report to the First Mortgagee any unpaid assessments due from the Owner of such Unit.

13. Referral to Legal Counsel. If an Owner remains delinquent in the payment of assessments and related costs after the expiration of the thirty day (30) period set forth in the Default Letter (as provided for above), Management (if any), 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.

14. Legal Action. Legal counsel for the Association will take the following actions with regard to delinquencies referred to it:

- a. Alternative Collection Courses. At each step in the collection process the Board, acting with input and recommendations from Management (if any) and counsel, will evaluate which course of legal action appears to be in the best interest of the Association for recovery of unpaid assessments. Such legal action may include, but is not limited to, pre-judgment and post-judgment garnishment of rents, bank accounts and other debts (to the extent permitted by applicable law), judicial or non-judicial foreclosure of the Association's

assessment lien, or pursuit of a personal judgment against the Delinquent Owner. Where non-judicial foreclosure of the assessment lien in favor of the Association against a Unit, is determined to be advisable, the Board will direct counsel to proceed accordingly. Where judicial foreclosure along with a personal judgment against the Owner is deemed the appropriate course to pursue, the Board will likewise instruct counsel accordingly. Determination at one point to pursue one course of action will in no way limit or impair the right of the Association to initiate action in a different or supplemental direction, provided all procedures and steps called for by the Declaration and this Assessment Collection Policy are followed.

b. Demand Letter. As the initial correspondence to a Delinquent Owner, counsel will send a demand letter (the "Demand Letter") to the Owner making formal demand for all outstanding assessments and other charges, adding to the charges the attorney's fees and costs incurred for counsel's services. The Demand Letter will require the Owner to pay in full all amounts demanded within thirty (30) days of the date of the Demand Letter.

c. Title Search. If a Delinquent Owner fails to pay the amounts demanded in the initial Demand Letter sent by counsel, counsel will, upon direction from the Board and/or Management, order a search of the land records to determine a current ownership of the Unit 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.

d. Notice of Lien. Where the Board has determined that foreclosure of the Association's assessment lien is to be pursued, if an Owner fails to pay in full all amounts indicated by the Demand Letter by the date specified, counsel, upon being requested to do so by the Board and/or Management (if any), will cause to be prepared, executed by an officer or agent of the Association, and recorded in the Official Public Records of Dallas County, Texas, 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 Unit covered by such lien and a description of the Unit 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 an additional 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.

e. Non-judicial foreclosure. When the Board has directed that the collection action to be taken is non-judicial foreclosure of the assessment lien, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued

delinquency of unpaid assessments owing will be reported to the Board by Management, together with all pertinent facts concerning the delinquency and the ramifications of the proposed foreclosure of the Unit. As soon as practical thereafter, the Board and/or Management will direct counsel to initiate non-judicial foreclosure of the Unit, pursuant to the Declaration and/or Section 82.113 of TUCA. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. The Association shall have the power to bid on the Owner's Unit and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same as set forth in Section 82.113 of TUCA. 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.

f. Judicial Foreclosure. When the Board has directed, or as may be required by law, that the collection action to be taken is a suit for personal judgment against the Owner and for foreclosure of the assessment lien, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued delinquency of unpaid assessments owing will be reported to the Board by Management (if any), together with all pertinent facts concerning the delinquency and the ramifications of the proposed foreclosure of the Unit. As soon as practical thereafter, the Board and/or Management (if any) will direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking foreclosure of the assessment lien and recovery of a personal judgment against the Current Owner and, where different, the Delinquent Owner, or from the Current Owner only, for all amounts owing arising from the unpaid assessments and the collection thereof, including all attorney's fees and costs.

g. Personal Judgment Suit. Where the Board has directed that the collection action to be taken is a suit for personal judgment against the Owner, upon the expiration of the time period given in the most recent demand for payment from counsel, the continued delinquency of unpaid assessments owing will be reported to the Board by Management (if any), together with all pertinent facts concerning the delinquency. As soon as practical thereafter, the Board and/or Management (if any) will direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking recovery from the Current Owner, the Delinquent Owner, or both, as the Board so directs, for all amounts owing arising from the unpaid assessments and the collection thereof, including all attorney's fees and costs.

15. Termination of Utilities. See the Woodridge Condominium Association Utility Termination Policy regarding additional remedies the Association may use in connection with delinquent assessments.

16. Verification of Indebtedness. For so long as the collection of assessments may be subject to the requirements of the Fair Debt Collection Practices Act (15 U.S.C. 1692 *et seq.*) (the "FDCPA") as amended or superseded from time to time, the demand letter from counsel will include such required notices as are prescribed by the FDCPA. Furthermore, where an Owner requests

verification of the indebtedness, Management will, upon notification of the Owner's request, supply such verification before any further collection action is taken with respect to such Owner.

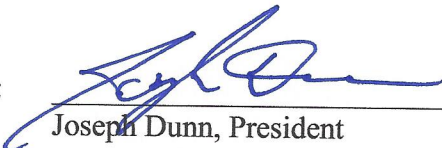
17. Compromise of Assessment Obligations. In order to expedite the handling of collection of delinquent assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any assessment, interest, late charge, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any assessment obligation.


18. Credit Bureaus. The Association may also notify any credit bureau of an Owner's delinquency. The Association will notify the Owner that it has filed such a report and will comply with any local, state, or federal laws in connection with the filing of such report.

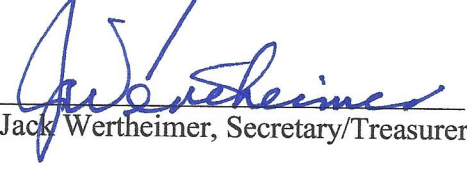
IT IS FURTHER RESOLVED that this Assessment Collection Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the collection of assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on Feb. 29, 2016, and has not been modified, rescinded or revoked.

WOODRIDGE CONDOMINIUM ASSOCIATION

By: 
Joseph Dunn, President

By: 
Al Taylor, Vice President

By: 
Jack Wertheimer, Secretary/Treasurer

