

COLLECTION POLICY
for
RED OAK RANCH PROPERTY OWNERS' ASSOCIATION

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

I, Maryann Fox, Secretary of Red Oak Ranch Property Owners' Association ("Association"), do hereby certify that in the open session of a properly noticed meeting of the Board of Directors ("Board") of the Association, duly called and held on the 1 day of April, 2021, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Collection Policy was duly approved by a majority vote of the members of the Board present at the meeting.

RECITALS:

1. The Board enforces the provisions of the Declaration applicable to the Property to address the collection and processing of assessments and other charges due and owing to the Association.
2. The Board desires to adopt a Collection Policy consistent with the Association's Dedicatory Instruments (as defined below) and state law.

WITNESSETH:

It is the policy of the Association to enforce the provisions of the Dedicatory Instruments applicable to the Property regarding the collection of assessments in accordance with the following Collection Policy ("Policy"):

Section 1. Definitions. Capitalized terms used in this Policy have the following meanings:

- 1.1. **Assessment** - The Maintenance Charge and other assessments and any other charge(s) for which an Owner is responsible as provided for in the Declaration which is secured by the Association's lien and the collection which is governed by the Declaration and/or state law.
- 1.2. **Declaration** - shall mean the following:
 - a. Documents:
 - (1) First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Red Oak Ranch, Section One.

- (2) Statement of Annexation of Properties into Red Oak Ranch, Section One.
- (3) Declaration of Covenants, Conditions and Restrictions for Red Oak Ranch, Section 2.

b. Recording Information:

- (1) Montgomery County Clerk's File No. 9735086.
- (2) Montgomery County Clerk's File No. 9735087.
- (3) Montgomery County Clerk's File No. 9735088.

1.3. Dedicatory Instruments - Each document governing the establishment, maintenance or operation of the properties within the Property, as more particularly defined in Section 202.001(1) of the Texas Property Code.

1.4. Property - shall mean the following:

- Red Oak Ranch, Section One, a subdivision in Montgomery County, Texas according to the map or plat thereof recorded under File No. 9720706 in Cabinet I, Sheet 201 of the Map Records of Montgomery County, Texas, and all amendments to or replats of said maps or plats, if any.
- Red Oak Ranch, Section Two, a subdivision in Montgomery County, Texas according to the map or plat thereof recorded under File No. 9933022 in Cabinet J, Sheet 57 of the Map Records of Montgomery County, Texas, and all amendments to or replats of said maps or plats, if any.
- Property described by metes and bounds in Exhibits A-Y to that certain document described above under Paragraphs 1.2.a.(2) and 1.2.b.(2) (which said Exhibits are incorporated herein by reference).

"Property" shall also include any and all other subdivisions that have been annexed or will be annexed into or otherwise fall under the jurisdiction of the Association, if any, that are not included above.

Other capitalized terms used herein have the same meanings as that ascribed to them in the Declaration.

Section 2. Due Date. The Maintenance Charge shall be due by the first (1st) day of September. All other Assessments shall be due in the time period established by the Board if such date is not established in the Declaration.

Section 3. Cost Recovery. Each Maintenance Charge or Assessment, together with interest, costs, and attorney fees incurred in a collection action shall be secured by a continuing lien upon each Lot and shall be the personal obligation of the Owner. Unless otherwise

prohibited by law or as otherwise provided by the Association's Dedicatory Instruments, all costs of collection, expenses, and fees charged to, or paid by, the Association collecting, or attempt to collect, Assessments shall be assessed against the Lot and shall also become the personal obligation of the Owner as and when incurred. Cost of collection shall include, but not be limited to, charges imposed by the Association for sending collection notices/letters, charges imposed by the Association's management company for sending collection notices/letters, attorney fees, legal expenses (postage, copies, filing fees, etc.), and charges or administrative costs/fees imposed by the Association's management company for monitoring delinquent accounts and/or turning over delinquent accounts to the Association's collection agent (including the Association's attorney).

Section 4. Delinquency Processing. The delinquent date for all Assessments will be thirty (30) days from the Due Date, unless otherwise stated in the Declaration or action approving same.

Section 5. Notices. All collection notices sent to the Owner below shall contain notice of the amount then due.

5.1. Delinquent Notice(s). The Association may, but is not required to, send one or more delinquent notices at a time to be determined by the Board before sending the Final Delinquent Notice described below.

5.2. Final Delinquent Notice. The Association shall, before turning a delinquent owner over to a collection agent (including the Association's attorney), send to the Owner a notice that complies with Section 209.0064 of the Texas Property Code. Additionally, if an Owner's use rights in the Common Area are to be suspended, the notice may include the provisions required by Section 209.006 of the Texas Property Code. The Association retains the right to send a letter that complies with Section 209.006 of the Texas Property Code regarding suspension of an Owner's Common Area use rights as a separate mailing.

Section 6. Interest. Unless otherwise provided by the Declaration, any Assessment not paid within thirty (30) days of the Due Date shall bear interest from the Due Date at the lesser of (i) rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law.

Section 7. Payment Plan and Partial Payments. All Owners will be offered a payment plan in accordance with Section 209.0062 of the Texas Property Code and the Association's Payment Plan Policy. Partial payments that are accepted shall be posted in accordance with Section 209.0063 of the Texas Property Code. Any payment for less than the full amount due at the time payment is made shall not constitute waiver or forgiveness of the remaining balance. If an Owner enters into a payment plan per the Association's Payment Plan Policy, Owner is responsible for any and all administrative cost provided for in the Payment Plan Policy.

Section 8. Dishonored Checks. Checks dishonored by the bank (e.g., NSF checks) may (but are not required to) be re-deposited by the Association. Whether or not a dishonored check is re-deposited, a dishonored check will incur a dishonored check processing fee in the amount of \$25.00 to offset the additional processing involved and a dishonored check notice may (but is not required to) be sent requesting payment in full by cashier's check or money order. In the

event a dishonored check notice is sent and the amount due is not paid in full within ten (10) days of the mailing of the dishonored check notice, the Association may initiate or continue collection activity. In addition to the dishonored check fee charged by the Association, any bank fee(s) or any other type of fee(s) charged to the Association because of the dishonored check shall be charged against the Owner's account and the amount of the dishonored check shall be reposted to the Owner's account as allowed by law. An Owner shall be responsible for all charges and/or fees incurred by the Association as a result of a dishonored check.

Section 9. Owner's Mailing Address. It is the responsibility of each Owner of a Lot in the Property to provide the Owner's mailing address to the Association and to promptly notify the Association in the event the Owner's mailing address changes. In order to be effective, notice of the Owner's mailing address or a change of the Owner's mailing address must be mailed to the Association by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. It is the Owner's responsibility to maintain evidence of receipt by the Association of Owner's notice of address change. The Association may, at its discretion, accept a notification of a change in an Owner's mailing address sent by regular mail or e-mail, however, an Owner that disputes the mailing address listed in the Association's records must be able to prove that the Owner sent an address change notification by providing evidence of receipt by the Association of Owner's notice of address change that was sent by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. Unless the Association is otherwise notified in writing, the Owner's mailing address shall be deemed to be the address of the Owner's Lot in the Property or the last alternative mailing address provided to the Association by the Owner in writing. All notices to an Owner pursuant to this Policy shall be mailed to the Owner at the Owner's last known mailing address. If mail to an Owner is returned undelivered, or the Association otherwise reasonably determines that the last known mailing address of the Owner may not be valid, the Association has the right, but not the obligation, to conduct a title search or other searches for the purpose of attempting to either verify the Owner's current mailing address or obtain the Owner's current mailing address. Any costs incurred by the Association to verify an Owner's current mailing address or obtain an Owner's current mailing address shall be, to the extent permissible under the Association's Dedicatory Instruments and state law, charged to the Owner. The failure of an Owner to receive a notice(s) or to properly notify the Association of a change in an Owner's mailing address shall in no way waive or negate the Owner's obligation to pay any Assessment or charge(s) authorized by the Declaration or state law. The submission of a check or other form of payment to the Association which sets forth an alternative address does not constitute notice of a change of the Owner's mailing address.

Section 10. Referral of Account to Association's Attorney. The Association, the Board, an individual Board member, the Association's office staff if any, or the Association's management agent may, without further approval of or action needed by the Board other than the adoption of this Policy in the open session of a properly noticed Board meeting, refer any account to the Association's collection agent (including the Association's attorney) on which any portion of: (a) the current year's Assessment is delinquent; and/or (b) any portion of a previous year's Assessment is delinquent; and/or (c) any other charge(s) due and owing to the Association that is authorized in the Association's Dedicatory Instruments or by state law is delinquent. Upon referral of an account to the Association's collection agent (including the Association's

E-FILED FOR RECORD

04/07/2021 04:22PM



COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,
COUNTY OF MONTGOMERY

I hereby certify that this instrument was e-filed in the file number sequence on the date and time stamped herein by me and was duly e-RECORDED in the Official Public Records of Montgomery County, Texas.

04/07/2021



County Clerk
Montgomery County, Texas