

PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION

Assessment Collection Policy

WHEREAS, Prestonwood Country Club Condominium Association (the "Association") has authority pursuant to Paragraph 21 of the Condominium Declaration for Prestonwood Country Club Condominiums, as amended from time to time (the "Declaration"), to levy assessments against Owners of the units (herein the "Unit" or "Units") located within Prestonwood Country Club Condominiums (the "Project") and

WHEREAS, the Board of Managers (the "Board") finds there is a need to establish orderly procedures for the collection 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 duty pursuant to Article IV, Section 3(a) of the Bylaws of Prestonwood Country Club Condominium Association (the "Bylaws") to enforce the provisions of the Declaration including, without limitation, the duty to assess and collect annual and special assessments from the Owners; and the Board, pursuant to the Bylaws and Section 82.102 of the Texas Uniform Condominium Act, has the power to, among other things, adopt rules regulating the collection of delinquent assessments and the application of payments.

NOW, THEREFORE, IT IS RESOLVED that 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 assessments and application of payments made by Owners pursuant to the Declaration and this Assessment Collection Policy will be governed by the following objectives:

a. The Association will pursue collection of all monthly installments on all assessments, including annual and special assessments, coming due for a given month,

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 Paragraph 22 of the Declaration, the person who is the Owner of a Unit as of the date an assessment becomes due is personally liable for the payment of that assessment. Further, except in the case of: (i) an Owner who succeeds to title to a Unit on which assessments are outstanding by way of a foreclosure of a lien for real property taxes and other governmental assessments or charges against the Unit, (ii) an Owner who, succeeds to title to a Unit on which, assessments are outstanding by way of a foreclosure of a lien or encumbrance recorded before the Declaration is recorded, or (iii) an Owner who succeeds to the title to a Unit on which assessments are outstanding by way of a foreclosure of a first vendor's lien or first deed of trust lien, the personal liability for unpaid assessments passes to the successors in title to a Unit. As used herein, the term "Delinquent Owner" refers to that person who held title to a Unit on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who holds title to 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. Pursuant to Paragraph 21 of the Declaration, the due date for a monthly installment of a regular (annual) assessment shall be the first day of each calendar month, and the due date for a special assessment shall be set by the Board, but in no event shall it be less than ten (10) days after the date the Owners are invoiced therefor. The due date for the regular and special assessments shall be collectively referred to in this Assessment Collection Policy as the "Due Date". Any assessment which is not paid in full by the fifteenth (15th) day after it is due is delinquent (the "Delinquency Date").

4. Required Notices and Correspondence.

Default Letter. Pursuant to Article XI, Section 1 of the Bylaws, thirty (30) days following the Due Date, the Association will send a demand letter (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 the handling charges incurred.

b. The Default Letter shall include a notification to the Owner that his or her voting rights in the Association have been automatically suspended and will remain so as long as any assessment against the Owner's Unit remains unpaid.

c. The Default Letter will inform the Owner that if the Owner fails to pay the entire amount due within ten (10) days of the date of the Default Letter, the Association may, at the option of the Board and if such remedy is legally available, upon the expiration of the said ten (10) day period, proceed with the disconnection of utility services to the Unit until all amounts due are paid in full by the Owner of said Unit. The Default Letter shall also inform the Owner that if utility services are disconnected, a One Hundred Dollar (\$100.00) reconnection fee will be assessed against the Owner and must be paid, together with all past due assessments, attorney's fees and other charges then owing, before utility services will be resumed.

d. 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 ten (10) days of the date of the Default Letter, the delinquency may be referred to the legal counsel for the Association for further collection action and that once such referral has occurred the Owner will then become additionally liable for all legal fees and related costs incurred.

5. Termination of Utilities.

a. Disconnection of Utility Services. If an Owner remains delinquent in the payment of assessments and related costs for more than ten (10) days after the sending of the Default Letter (as provided for above), the Board may, at its option, elect to proceed with the disconnection of utility services to the Unit(s) of the delinquent Owner. Utility service will not, however, be disconnected on a day, or on a day immediately preceding a day when a representative of the Association is not available for the purpose of making collections and reconnecting service.

b. Notice of Disconnection. If the Board elects to disconnect utility services, no sooner than ten (10) days following the date of the Default Letter, the Association will send, via certified mail, return receipt requested and first class United States mail, a notice to the Owner (referred to as the "Utility Disconnection Notice") that utility services are being disconnected for nonpayment of assessments and related charges. The Utility Disconnection Notice will include the following information: (i) the amount of unpaid assessments and all other charges then owing, including attorney's fees, if any; (ii) the date and time the utility services are to be disconnected (such date to be no earlier than seven (7) days following the date of the Utility Disconnection Notice); (iii) the address and telephone number of a representative

of the Association who may be contacted in order to avoid disconnection of utility services; and (iv) the Utility Disconnection Notice will inform the Owner that a One Hundred Dollars (\$100.00) reconnection fee will be assessed against the Owner and must be paid, together with all past due assessments and other charges when owing, before the utility services will be resumed.

c. Second Notice of Disconnection. On or before three (3) days preceding the date that utility services are to be disconnected, Management, on behalf of the Association, will post a notice of disconnection of utility services on the front door of the Unit(s) affected by such disconnection. Such notice shall contain a statement of which particular utility services are being disconnected for failure of the Owner to pay assessments, the date and time that utilities are to be disconnected, and the address and telephone number of a representative of the Association who may be contacted in order to avoid disconnection of utility services.

6. Late Charges. In the event any assessment, or part or installment thereof, is not paid in full on or before the Delinquency Date, a late charge in the amount of ten percent (10%) of the amount due shall be assessed against the Owner and his or her Unit. 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.

7. Interest. In the event any assessment, or part or installment thereof, is not paid in full on or before the Due Date, interest on the principal amount due shall be assessed against the Owner, the rate of said interest to be ten percent (10%) per annum and shall accrue from the Due Date 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.

8. 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 charge of \$50.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Unit.

c. Any fee or charge becoming due and payable pursuant to this Paragraph 8 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.

9. Voting Rights. Pursuant to Article XI, Section 1 of the Bylaws, the voting rights of an Owner are automatically suspended for any period during which any assessment, interest, late charge, handling fee, attorney's fee and/or related collection cost owing by such Owner remains unpaid.

10. 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 payment, will be applied to amounts outstanding to the extent of and in the following order:

a. First to attorney's fees, interest, 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 delinquent special assessments;

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

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

f. Next, to special assessments outstanding, though same may not then be delinquent;

g. Last, to outstanding monthly installments of an annual assessment, though same may not then be delinquent.

11. 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, the Bylaws 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.

12. 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.

13. Mortgagee Notification. In addition to the requirements of Article IX of the Bylaws, the Association may, at its option, notify any mortgagee of a Unit of the existence and extent of the delinquency of an Owner. The Owner will be informed in writing that its mortgagee has been so notified.

14. Referral to Legal Counsel. If an Owner remains delinquent in the payment of assessments and related costs for more than ten (10) days after the sending of the Default Letter (as provided for above), Management, on behalf of the Board, or the Board may, as soon as possible thereafter, refer the delinquency to the legal counsel for the Association for the legal action as required by this Assessment Collection Policy. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the assessment obligation and may be collected as such as provided herein.

15. 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 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 nonjudicial 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, the Bylaws 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 related 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 ten (10) 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 report 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 report 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, will cause to be prepared, executed by a member of the Board, an officer of the Association or by Management, and recorded in the Real Property Records of Dallas County, a written notice of lien (referred to as the "Notice of Lien") setting forth therein the amount of the unpaid indebtedness, the name of the Owner of the 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 Section 82.113 of the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code, as amended or superseded from time to time. 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 the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code, as amended or superseded from time to time. 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 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, 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 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, together with all pertinent facts concerning the delinquency. As soon as practical thereafter, the Board and/or Management 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.

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. The exercise of the collection rights of the Association regarding assessments will in all ways comply with the FDCPA to the extent such act may apply.

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, finance charge, 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.

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 Managers at a meeting of same on August 1996 and has not been modified, rescinded or revoked.

DATE:

8/27/96

Secretary

DELISA DAP

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PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION, INC.

**THIRD SUPPLEMENT TO
NOTICE OF FILING OF DEDICATORY INSTRUMENTS**

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

KNOW ALL MEN BY THESE PRESENTS:

This THIRD SUPPLEMENT TO NOTICE OF FILING OF DEDICATORY INSTRUMENTS (this "Notice") is filed by Prestonwood Country Club Condominium Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, the Association is a "property owners' association" as defined in Section 202.001(2) of the Texas Property Code; and

WHEREAS, the Association is governed by a dedicatory instrument, which covers the property described therein, entitled Declaration and Master Deed for Prestonwood Country Club Condominiums and filed for record on June 9, 1977, and recorded June 10, 1977, as Instrument No. 197700773110 at Volume 77112, Page 0006, *et seq.* of the Condominium Records of Dallas County, Texas, as such may be amended and/or supplemented from time to time; and

WHEREAS, Section 202.006 of the Texas Property Code, which became effective September 1, 1999, requires a "property owners' association" to file "the dedicatory instrument" in the real property records of each county in which the property to which the dedicatory instrument relates is located; and

WHEREAS, the Association filed a Notice of Filing of Association Instruments on August 7, 2000, as Instrument No. 200001088309 at Volume 2000 152, Page 03111, *et seq.*, in the Official Public Records of Dallas County, Texas; and

WHEREAS, the Association filed its First Supplement to Notice of Filing of Association Instruments on April 10, 2008, as Instrument No. 20080116736, in the Official Public Records of Dallas County, Texas; and

WHEREAS, the Association filed its Second Supplement to Notice of Filing of Association Instruments on July 1, 2009, as Instrument No. 200900186573, in the Official Public Records of Dallas County, Texas; and

WHEREAS, the Association desires to again supplement the Notice by adding the instruments attached hereto adopted by the Association; and


WHEREAS, with the sole intention of filing the following instruments which be interpreted as being within the scope of Section 202.006, acting by and through the undersigned duly authorized officers, files true and correct copies of the instruments more specifically set forth hereinafter.

NOW, THEREFORE, the Association, the Association instruments, files true and correct copies of the following instruments of the Association which are attached hereto:

1. ARTICLES OF INCORPORATION OF PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION;
2. PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION, INC. LEASING AND OWNERSHIP POLICY; and
3. PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION, INC. Assessment Collection Policy.

IN WITNESS WHEREOF, the undersigned agent of Prestonwood Country Club Condominium Association, Inc. certified that as of the effective date of this Third Supplement to Notice of Filing of Dedicatory Instruments that the foregoing instruments are true and correct copies of the above instruments of the Association.

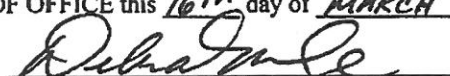
PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION, INC.

By: 
Robert M. Blend
Duly Authorized Agent

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

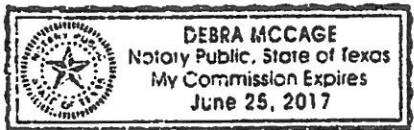
BEFORE ME, the undersigned authority, a Notary Public in and for said county and state, on this day personally appeared Robert M. Blend, a duly authorized agent for Prestonwood Country Club Condominium Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of MARCH, 2015.


Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:

THE BLEND LAW FIRM, P. C.
14131 Midway Road, Suite 1240
Addison, Texas 75001
Tel: (972) 233-1900
Fax: (972) 233-1910
rblend@blendfirm.com



Conformed Copy
Official Public Records
John F. Warren, County Clerk
Dallas County, TEXAS
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A handwritten signature in black ink, appearing to be "JFW", is written to the right of the seal.

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