

THE WOODS ON PARK LANE

COLLECTIONS & APPLICATION OF FUNDS POLICY

1. The Board, shall from time to time, determine the amount of assessments payable by the Owners to meet the Common Expenses of the Project and allocate and assess such Common Expenses among the Owners in proportion to their Common Expense liability. The aggregate of the annual assessment made by the Board and allocated and assessed to the Owner of each Unit shall be payable in twelve (12) equal monthly installments following the date of the last determination or amendment of assessments by the Board. Such payments shall be due and payable in advance on the first day of each month. Charges disputed by an Owner shall be verified by the Association and are considered delinquent until such time as they are paid in full.
2. The Board shall advise all Owners, at the last mailing address provided by each Owner to the Association in writing, of the amount of assessment payable by each Owner.
3. An Owner shall not be entitled to a deferral of interest, fines or collection costs with regard to delinquent assessments on the basis of such Owner's failure to receive notice, if such notice was sent via regular mail, or via hand delivery, to the most recent address of the Owner according to the records of Association. Each Owner shall have the obligation to notify the Association in writing of any change in address which shall become effective five (5) days after written notice has been received.
4. Any assessment remaining unpaid for ten (10) days after the due date shall bear interest at the rate of ten percent (10%) per annum, or at the maximum rate per annum permitted by applicable law (or such lower rate as the Board may designate from time to time) from the due date until paid. No Owner may waive or otherwise escape liability for the assessments provided for in the Declaration by reason of non-use or abandonment.
5. The Board may cause to be sent one or more of the following notification(s) to delinquent Owners:
 - a. PAST DUE NOTICE: In the event that an Assessment account balance remains unpaid ten (10) days from the due date, a Past Due Notice may be sent via regular mail to each Owner with a delinquent account setting forth all assessments, interest and other amounts due.
 - b. FINAL NOTICE: In the event that an Assessment account balance remains unpaid over sixty (60) days from the due date, a Final Notice may be sent via certified mail to each delinquent Owner. A charge of ten dollars (\$10.00) will be added to each delinquent Owner's account balance for administrative and postage costs. The Final Notice will set forth the following

information and explain the results of failure to pay, including an explanation of:

- i) AMOUNTS DUE: All delinquent assessments, interest and other amounts due;
 - ii) HEARING: If required by law, the Owner shall be given notice and opportunity for a hearing before the Board. A hearing shall be granted if a written request for a hearing is received by the Association not more than thirty (30) days from the Owner's receipt of the Final Notice.
 - iii) COMMON AREA AND VOTING RIGHTS SUSPENSION: Subject to notice and a right to a hearing as may be required by law and/or the Declaration, the Owner's use of recreational facilities and common properties and/or the Owner's voting rights may be suspended; and
- c. LATE FEES: Late fees in the amount of \$25.00 shall be assessed to each Owner's account for each month that an Owner does not pay the assessment in full by the 10th of the month. This collection fee is to cover the additional administrative cost incurred by the Association's management company.
 - d. ATTORNEY FEES: Any delinquent account will be turned over to legal counsel for collection and that the Association will incur reasonable attorney's fees, for which reimbursement from the Owner will be sought. You agree to pay any and all attorney's fees incurred by Association.
 - e. COLLECTION FEES: All fees, including court costs, deposition expense and attorney's fees incurred in collecting the delinquent account will be charged to Owner.

c.. APPLICATION OF PAYMENTS. All payments received shall be applied in the following order:

- (a) attorney fees;
- (b) collection and court costs;
- (c) interest;
- (d) fines;
- (e) late charges;
- (f) costs;
- (g) handling charges and returned check fees incurred by the Association;
- (h) any assessment for repairs to any Unit or the General Common Element necessitated by the action of an Owner and/or the Owner's family members, guests, tenants, or invitees;

- (i) charges for maintenance service requests by Owners which are not part of the common expense of the Association;
 - (j) special assessments;
 - (k) monthly assessments.
6. The acceptance of a partial payment on an Owner's account does not constitute a waiver of the Association's right to collect the full outstanding balance due on said Owner's account. An Owner will be charged a cost of 40.00 dollars (\$40.00) for any check that is returned or Automatic Clearing House (ACH) debit that is not paid as a result of Non-Sufficient Funds (NSF). The Board reserves the right to refuse to accept any partial payment or payment that includes limiting instructions-whether recited directly on the form of payment or in any correspondence included therewith. The inclusion of address information that differs from the mailing address information last provided in writing by the Owner to the Association shall not constitute a written indication of new mailing address information.
7. REFERRAL OF ACCOUNT TO ATTORNEY. At the sole discretion of the Board, an Owner's account may be referred to the Association's attorney for collection. Upon referral of the account to the Association's attorney, the attorney is authorized to take whatever action is necessary, in consultation with the Board, as set out herein.
8. ATTORNEY PROCESS. Unless contrary instructions are given by the Board or advised by the Association's attorney, one or more of the following actions may be taken upon referral to the Association attorney with regard to a delinquent Owner not protected by federal bankruptcy law. The Board, at its sole discretion and after consideration of circumstances regarding the Owner's account, may direct the Association attorney to alter the order of or eliminate certain of the following actions:
- a. Initial Demand Letter - allowing ten (10) days to pay the delinquency.
 - b. Final Demand Letter - allowing thirty (30) days to pay the delinquency if said delinquency was not paid in full pursuant to the Initial Demand Letter.
 - c. Notice of Lien - notice to the Owner that a Notice of Assessment Lien shall be filed in (he Official Public Records of Real Property of Dallas County, Texas.
 - d. Notice to Lienholder(s) - Pursuant to Section 82.113(h) of the Texas Uniform Condominium Act, if an Owner defaults in the Owner's monetary obligations to the Association, the Association may notify other lien holders of the default and the Association's intent to foreclose its lien. the Association's attorney may prepare and send to any and all lien holders said notice.
 - e. Initial Notice of Foreclosure - Notifying the Owner that the Association intends to non-judicially foreclose the Owner's Unit pursuant to (he powers granted to the Association by the laws of the State of Texas and the Declaration.
 - f. Final Notice of Foreclosure and Notice of Sale - Notifying the Owner that the Association is posting the Owner's Unit for sale and including

therewith a true and correct copy of said notice, which shall be posted pursuant to the laws of the State of Texas and the Declaration.

g. Forcible Detainer - At any time after the foreclosure of an Owner's Unit, the Board may seek removal of any persons in the Owner's Unit and possession of the Owner's Unit, but is not required to so do.

h. Foreclosure. Association may seek non-judicial or judicial foreclosure,

i. All Other Remedies. Association may pursue any other legal or equitable remedy available.

9. WAIVER/MODIFICATION OF POLICY. The Board, in its sole and absolute discretion, may grant a waiver of any provision or otherwise modify any of the procedures contained herein upon a petition of an Owner showing a personal hardship or just cause.

10. REQUIRED ACTION. Nothing contained herein, not otherwise required by the Declaration shall require the Board to take any of the specific actions contained herein. The Board shall have the right, but not the obligation, to evaluate each delinquency on a case-by-case basis as it, in its best judgment, deems reasonable.

11. SATISFACTION OF DEBT. All amounts received and credited pursuant to the application of payments set out above, shall be applied first to the oldest debt in each category continuing to be applied until all charges have been satisfied in a category, then moving to the next category and again applying payments to the oldest debt, on so on, until all funds have been applied against amounts owed.