

The Falls Owners Association, Inc.
Collection Guidelines for Annual Assessments

BE IT RESOLVED that The Falls Owners Association, Inc. (the "Association") hereby adopts the following guidelines, policies and procedures with regard to the collection of assessments:

1. On or before December 1 of each calendar year, the Association and/or its agents shall send to each owner an invoice informing the owner of
 - a. the amount of the coming year's assessment(s),
 - b. the specific block, lot and section being invoiced, and
 - c. the date on which same is due (January 31)
2. The date on which the annual assessment billing shall become delinquent is February 1st. Said invoice, statements and all other notices to owners described herein shall be sent to the last known address for the owner of each lot, pursuant to the Association's records. Unless the Owner has specified in writing to the Association an alternate address for notice, the Association shall send all notices to the street address for the Owner's lot(s).
3. Not earlier than February 1st, the Association and/or its agents may send to each owner whose account is delinquent, a letter notifying the owner of the delinquency and advising that they may enter into a payment plan for same. (EXHIBIT A) The Association may, at their discretion, send additional notices to the owners reminding them of the delinquency.
4. For those owners who still have a delinquency after the actions described in Paragraph 3 herein, the Association and/or its agents may send to each owner who has failed to timely pay all past-due assessments and charges related to same, a letter complying with the requirements of Chapter 209 of the Texas Property Code (EXHIBIT B). Said letter shall include an account history specifying each delinquent amount and the total amount of the payment required to make the account current, describe the options the owner has to avoid having the account turned over to a collection agent, including information regarding availability of a payment plan through the association, and provide a period of no less than 45 days for the owner to cure the delinquency before further collection action is taken.
5. If a delinquency remains after the actions described in Paragraph 4 herein, upon approval by the Board, the Association and/or its agents shall send to the Association's Attorneys any delinquent account for collection. The Association's Attorneys may send to said owner(s) an initial demand letter which demands payment of the balance within 45 days.
6. Upon approval by the Board, for those owners who failed to make payment of the delinquent balance or enter into a payment plan in response to the Association Attorneys' initial demand letter, the Association's Attorneys may order a complete title report and send the statutorily required notices to lienholders, if any. At the same time,

the Association's Attorneys may also send a final demand letter to the owners. Said demand letter shall notify each owner that failure to pay may result in the filing of a lawsuit against them for foreclosure of their property.

7. After collection step 6 has been taken, for those owners who have failed to pay the delinquent balances on their accounts or enter into a payment plan, the Board shall meet and determine whether lawsuits shall be filed against said owners. Upon the approval by the Board, the Association's Attorneys shall file lawsuits for collection of the delinquent accounts. The Association may in its sole discretion choose to file TRCP 736 applications for expedited foreclosure, traditional judicial foreclosure lawsuits seeking personal liability and/or foreclosure of the lien and/or suits for personal liability in justice of the peace courts, depending on the facts and considerations of each individual matter.
8. The Association shall maintain the right at any time in any collection matter to enter into a settlement agreement/payment plan with the Owner where the Association, in its sole discretion, believes that said settlement is in the best interest of the Association.

Payment Plans

9. Pursuant to the Texas Property Code, the Association shall offer to owners who have not defaulted on a payment plan in the previous 2 years the opportunity to enter into a payment plan for delinquent balances. Payment plans may be available at any time in the litigation process pursuant to the sole discretion of the Association. The Association reserves the right to consider the specific circumstances of an owner's account in formulating a payment plan, but the following terms shall be acceptable without prior approval of the Board:
 - a. Down payment of twenty-five percent (25%) of the total outstanding balance;
 - b. Payment of the remaining balance over 3 to 9 months, with said balance accruing interest at 5% per annum amortized over the life of the plan. Owners may pay the payment plan balance at any time and avoid finance charges which have not yet accrued. The monthly payment in any plan must be no less than \$100.00.
 - c. Payment Plan must include sequential monthly payments due every thirty (30) days on or before agreed upon due date. The total of all proposed payments must equal the settlement balance plus all applicable administrative fees, interest and legal fees, if any.
 - d. If the Payment Plan extends into the next assessment cycle, the owner is required to pay all future assessments by the due date in addition to the payments specified in the Payment Plan. If owner fails to pay future assessments when due, this will be considered a default of the Payment Plan.
 - e. If the owner defaults on any terms of the Payment Plan, the Plan will be voided. Notice of default will be sent to the owner with an opportunity to cure same. Should the owner refuse or fail to cure the default, the Association may proceed with the standard collection process.

Bankruptcy

10. Upon receipt of a notice of bankruptcy, the Association and its agents shall cease collection attempts except as authorized by the bankruptcy court and state and federal law.
11. If an owner filing bankruptcy owes an amount less than one year's maintenance assessment, the Association's Attorneys shall file a notice of appearance but shall pursue no further action until authorized by the Board.
12. For owners filing bankruptcy who have a delinquency greater in amount than one year's assessment, the Association's Attorneys shall file a notice of appearance and proof of claim to preserve the Association's claim, but shall take no further action in the bankruptcy without the prior approval of the Board.

SECRETARY'S CERTIFICATE OF ADOPTION OF
RESOLUTION BY BOARD OF DIRECTORS
OF
THE FALLS OWNERS ASSOCIATION, INC.

I, Rochelle Wiley, certify that I am the duly qualified and acting Secretary of The Falls Owners Association, Inc., a duly organized and existing non-profit Texas corporation. I further certify that the Board of Directors of The Falls Owners Association, Inc., at a meeting of the Board on the 2nd day of October, 2021, at which quorum was present, voted to adopt, record and implement the attached Collection Policy for Delinquent Accounts and entered said vote in the Minutes of the Meeting.

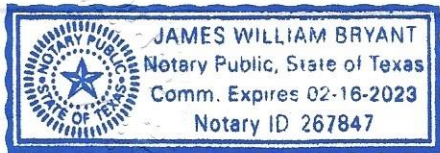
10/2/2021
Date

Rochelle M Wiley
Secretary

THE STATE OF TEXAS §
COUNTY OF COLORADO §

This instrument was acknowledged before me on the 2nd day of October, 2021, by Rochelle M Wiley, Secretary of The Falls Owners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

[Signature]
Notary Public in and for The State of Texas



VOL 977 PAGE 494

EXHIBIT A

✓ The Falls Owners Association, Inc.
P.O. Box 1304
New Ulm, Texas 78950

[DATE]

[NAME]

[ADDRESS]

[CITY] [STATE] [ZIP]

Re: [LEGAL DESCRIPTION]

Dear [NAME];

Enclosed you will find a current detailed statement of your account from the Falls Owners Association, Inc. (the "Association"). I am contacting you because of the delinquency owed to the Association for the annual assessment(s) listed below. Our records indicate your account has a total balance due of [AMOUNT]. I am attempting to collect this debt, and all information obtained will be used for this purpose.

2015 Annual Association Assessment Fee	\$---
2016 Annual Association Assessment Fee	\$---
Total Due	\$---

If you are unable to pay the balance in full at this time, please contact me so that we can establish a payment plan that will satisfy both the owner and the Association.

If the balance is different from your records, please contact me immediately.

Sincerely yours,

The Falls Owners Association, Inc.

By: _____
Accounting Manager

VOL 977 PAGE 495

EXHIBIT B

The Falls Owners Association, Inc.
P.O. Box 1304
New Ulm, Texas 78950

[date]

CERTIFIED MAIL
RETURN RECEIPT REQUESTED AND REGULAR MAIL

[name]
[address]
[city, state, zip]

Re: [property description]

Dear [name];

I am contacting you because of your delinquency owed to the Falls Owners Association, Inc. (the "Association") pursuant to the Declaration of Covenants, Conditions and Restrictions. Our records indicate your account has a balance due of \$[amount]. A current statement of your account is enclosed. I am attempting to collect a debt, and all information obtained will be used for this purpose.

If you are unable to pay the balance in full at this time, you can make installment payments under a written payment plan with the Association. A copy of the approved payment plan policy is enclosed. If you have not paid your delinquent balance or signed a payment plan with the Association within 45 days after receipt of this letter, your account will be turned over to our attorney without further notice to you, and all reasonable attorney fees and costs of collection will be added to your account and will become your obligation to pay.

You are further advised of the following:

NOTICE OF OPPORTUNITY TO BE HEARD: Not later than the forty-fifth (45th) day after the date you receive this notice you may request a hearing before the Association's Board of Directors to contest any of the matters herein set forth. The request must be in writing, must state generally the matter(s) which you are contesting and the reasons for the contest, and must be mailed or delivered to the Association's management office.

If you notify this office in writing within forty-five (45) days after receipt of this letter that the debt or any portion thereof is disputed, we will obtain verification of the debt and mail same to you. If you have not disputed the validity of this debt in writing within forty-five (45) days of your receipt of this notice, we will assume the debt to be valid. Upon your written request within forty-five (45)

days after receipt of this letter, we will provide you with the name and address of the original creditor, if different from the current creditor.

Please also be advised that you may have special rights or relief to this enforcement action under federal law, including the Service Members Civil Relief Act (50 U.S.C. app Section 501 et seq.), if the owner is serving on active military duty.

If the balance is different from your records, or you need to make payment arrangements with the Association, please contact me.

Sincerely yours,

The Falls Owners Association, Inc.

By: _____
President

Enclosures

Cc: Association's Attorneys

4519
FILED FOR RECORD
COLORADO COUNTY, TX
2021 OCT - 8 AM 8:23
KIMBERLY MENKE
COUNTY CLERK
20

STATE OF TEXAS COUNTY OF COLORADO
I hereby certify that this instrument was FILED on the
date and time stamped hereon by me; and was duly
RECORDED to the Volume and Page of the OFFICIAL
RECORDS of Colorado County, Texas and stamped
hereon by me, on

OCT 13 2021



Kimberly Menke
KIMBERLY MENKE
COUNTY CLERK, COLORADO COUNTY, TEXAS

VOL 977 PAGE 497