

RAVENNA COMMUNITY ASSOCIATION, INC.

ASSESSMENT COLLECTION POLICY

1.0 Definitions. In this policy the definitions set forth in Section 209.002 of the Texas Property Code control (whether or not capitalized), including "Board" which means the Board of Directors which is the governing body of this Association. To the extent not inconsistent with the foregoing, all definitions set forth in the "Declaration of Covenants, Conditions, Restrictions and Easements for Ravenna," as amended (whether or not capitalized), including Article II thereof, are also incorporated herein.

2.0 Delinquency Charges.

2.1 Due Dates; Delinquency. All assessments are due and payable as stated in the Association's governing documents. Any assessment which is not paid by the due date is delinquent.

2.2 Interest. Interest at the rate stated in the Association's governing documents will be charged on any assessment as to each assessment account for each Lot which is not paid in full by the end of each month.

2.3 Late Charges. A late charge of \$25.00 per month will be charged as to each assessment account for each Lot which is not paid in full by the end of each month.

2.4 Administrative/Managing Agent Fees. Any administrative fees, costs or other charges, including collection program and similar fees, imposed by the Association or by its managing agent with prior approval of the Board, shall be added to each applicable delinquent assessment account.

2.5 Compliance Costs. In addition to the charges set forth in **Sections 2.2, 2.3 and 2.4**, a defaulting Owner is obligated to pay all other costs incurred by the Association to collect any delinquent amounts due to the Association, including charges for any check which is returned unpaid for any reason, costs of title reports, credit reports, postage, long distance calls, lien claim notice/affidavit preparation and filing fees, all other filing fees, all reasonable costs and attorney's fees, and all other applicable charges as set forth in this policy or the Association's governing documents.

2.6 Waiver. Upon written request stating good cause as determined in the sole discretion of the Board, the Board may in its sole discretion waive payment of any charges set forth in **Sections 2.2, 2.3, 2.4 and/or 2.5**, in whole or in part.

3.0 Payments.

3.1 Form of Payment. The Association may at any time and as to any delinquent Owner require that payment of assessments or any other amounts due to the Association be made only by certified check, money order or equivalent.

3.2 Application of Payments.

3.2.1 Except as provided in **Section 3.2.2**, payment from an Owner or for an Owner's account shall be applied in the following order of priority: (i) delinquent assessments; (ii) current assessments; (iii) attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure under the

Association's governing documents; (iv) other attorney's fees; (v) fines; and (vi) any other amounts owed to the Association.

3.2.2 If at the time the Association receives a payment the applicable Owner is in default under a payment plan entered with the Association, and continuing for a two-year period thereafter as provided in **Section 4.8**, the Association is not required to apply the payment as provided in **Section 3.2.1**, and instead may apply the payment in any manner provided in the Association's governing documents, or as otherwise determined by the Board or the Association's managing agent. Notwithstanding the foregoing, a fine may not be given priority over any other amount owed to the Association.

3.2.3 All payments within each category of application, either under **Section 3.2.1** or **Section 3.2.2**, as applicable, shall be applied on a first-in, first-out basis.

3.2.4 The Association may refuse to accept any partial payment, being any payment for less than the total amount due, including any payment under a payment plan which is less than the total amount then due pursuant to the payment plan.

3.2.5 The Association may refuse to accept any payment with a restrictive endorsement or which contains or is accompanied by conditions, directives or limitations contrary to this policy, or to the terms of any payment plan agreement then in effect, or to any other provisions of the Association's governing documents.

3.2.6 Endorsement or deposit of a payment or posting of a payment to an account do not constitute acceptance of the payment unless the payment is not refunded within sixty days after posting of the payment to the Owner's account. Acceptance of payment does not in any case constitute acceptance (i) as to any modification of any terms of, or waiver of default under, a payment plan agreement then in effect, (ii) as to any restrictive endorsement, or (iii) as to any other accompanying conditions, directives or limitations. Acceptance of any kind, including acceptance of a partial payment, does not in any case waive any Association rights to pursue or to continue to pursue any and all rights or remedies for collection of all remaining obligations, or preclude strict compliance in the future.

4.0 Payment Plans.

4.1 Availability. Except as next provided and as provided in **Section 4.8**, the Association shall offer alternative payment plans to Owners in accordance with this policy covering all assessments and other amounts owed to the Association. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS POLICY, THE ASSOCIATION IS NOT REQUIRED TO (I) MAKE A PAYMENT PLAN AVAILABLE TO AN OWNER AFTER THE PERIOD FOR CURE DESCRIBED IN TEXAS PROPERTY CODE, SECTION 209.0064(B)(3) HAS EXPIRED, OR (II) ALLOW AN OWNER TO ENTER INTO A PAYMENT PLAN MORE THAN ONCE IN ANY 12-MONTH PERIOD.

4.2 Written Request Required. Request for a payment plan must be submitted to the Association in writing. The request (i) must be dated, (ii) must be signed by the Owner or submitted by email or fax under the Owner's name, and (iii) must set forth proposed payment terms and amounts within the guidelines set forth in **Section 4.4.2**. If a payment plan term of more than three months is requested, the request must also provide a brief statement of the basis for the extended payment plan term.

4.3 Written Agreement Required. All payment plan agreements (i) must be in writing on a form provided or approved by the Association, or the Association's managing agent or attorney, and (ii) must be fully completed, dated and signed by the applicable Owner.

4.4 Terms and Conditions. All payment plans are subject to the following terms and conditions:

4.4.1 The initial total amount due under the payment plan shall be stated in the payment plan agreement. The initial total amount due plus (i) reasonable costs associated with administration of the payment plan, and (ii) interest at the rate allowed by the Association's governing documents, or such lesser rate as stated in the payment plan agreement, are herein referred to as the "Payment Plan Amount".

4.4.2 An Owner may propose any term for a payment plan, provided that (i) except as provided in **Sections 4.1** or **4.8**, the Association must approve a minimum payment plan term of three months, and (ii) the Association is not required to approve a payment plan term exceeding eighteen months from the date of receipt by the Association of the Owner's request for a payment plan. The Payment Plan Amount is due and payable in equal and consecutive monthly payments for the term of the payment plan, provided that up to one-third down may be required for any payment plan term which exceeds three months. The Association's Managing Agent or attorney may approve any payment plan term which does not exceed twelve months, or such longer term as approved by the Board or other Association officer.

4.4.3 The applicable Owner must keep tract of payments, including due dates, dates and amounts of payments and remaining payments due. No notices or reminders as to any of the foregoing need be sent. Any reasonable costs incurred by the Association regarding the foregoing may be charged as costs of administration of the payment plan which must be paid upon demand.

4.4.4 All assessments and any other amounts which become due to the Association after the date of determination of the Payment Plan Amount must be paid to the Association in full, when due, and in addition to the payments due under the payment plan.

4.5 When Plan Effective. A payment plan is effective only upon receipt by the Association of (i) a fully completed, dated, and signed payment plan agreement; and (ii) the first payment (or down payment) due and payable pursuant to the payment plan agreement.

4.6 Default. The following provisions apply regarding a "default" under a payment plan agreement:

4.6.1 An Owner is considered in default if (i) the Owner fails to complete, date, sign and return the payment plan agreement and the initial payment to the Association when due, or (ii) the Owner fails to make any payment when due, or, when applicable, fails to make any payment by certified check, money order or equivalent as provided in **Section 3.1**, or (iii) the Owner makes any payment for less than the total amount due, or (iv) any payment is returned due to insufficient funds or is not honored or paid due to any other reason.

4.6.2 A payment plan is automatically terminated and of no further effect (i) if the Owner fails to fully cure any default within ten days after the date notice of default is sent to the Owner, or (ii) immediately upon occurrence of any default which occurs after notice of default has been given as provided in **Section 4.6.2(i)**.

4.7 Waiver of Default; Reinstatement. A default may be waived or a terminated payment plan may be reinstated in the sole discretion of the Board or other authorized Association officer or agent, but only if the default is fully cured within ten days after the date of the applicable notice of waiver or

reinstatement. In the event of waiver or reinstatement, the provisions of **Sections 3.2.2, 4.8.3 and 4.8.4** shall nonetheless continue to apply.

4.8 Effect of Termination. Upon termination of a payment plan:

4.8.1 all amount due under the payment plan agreement, and all other amounts which would be due to the Association but for the agreement and which have become due in consequence of the default, automatically and immediately become due and payable to the Association; and

4.8.2 the Association may immediately pursue all rights and remedies of the Association under its governing documents or as otherwise permitted by law; and

4.8.3 the Association has no obligation to accept a payment plan from the defaulting Owner during the two year period following the last date of default prior to termination of the applicable payment plan agreement; and

4.8.4 during the two-year period as provided in **Section 4.8.3**, the Association may proceed with entry of any alternate payment plan upon such terms and conditions as determined by the Board or other authorized Association officer or agent.

5.0 Collection Procedures.

5.1 Guidelines Only. The collection procedures set forth in this **Section 5.0** apply unless otherwise determined by the Board on a case-by-case basis, or as circumstances in the sole discretion of the Board require.

5.2 Association. The Association, directly, or through its managing agent or through the Association's attorney as herein provided. shall comply with the following collection procedures:

5.2.1 An annual notice of assessment and other amounts due to the Association shall be sent to each Owner (whether one or more). One or more reminder delinquency notices may be sent to any Owner who is ten days or more delinquent in payment of assessments or any other amounts due to the Association.

5.2.2 If the account of any Owner remains delinquent after expiration of any applicable notice period as provided in **Section 5.2.1**, and prior to initial referral of the account to the Association's attorney for collection, notice substantially as follows shall be sent by certified mail, return receipt requested, to the applicable Owner that (i) specifies each delinquent amount or includes an itemized statement of account reflecting such amounts, and states the total amount of the payment required to make the account current, (ii) describes the options the Owners has to avoid having the account turned over to the Association's attorney, including information regarding availability of a payment plan through the Association, (iii) provides a period of at least thirty days for the Owner to cure the delinquency before further collection action is taken, and (iv) advises the Owner that attorney's fees and costs will be charged to the Owner if the delinquency continues after the cure period stated in the notice. The notice may also advise the Owner that rights to use common areas, facilities and/or amenities will be suspended if the delinquency continues past the cure period stated in the notice.

5.3 Credit Bureau/Mortgagee Notices. The Association may report to one or more credit bureaus and may notify any applicable mortgagee or other lienholder as to any default by an Owner in payment of assessments or any other amounts due to the Association.

5.4 Notice of Lien. A notice of the Association's assessment lien may be filed in the Official Public Records of Real Property of Harris County, Texas as to any Owner who is delinquent in the payment of assessments or any other amounts due to the Association. If and within a reasonable time after receipt of payment in full, the Association will file a cancellation of any applicable notice of lien. The Association may require advance payment for preparation and filing of any such cancellation.

5.5 Collection by Association Attorney.

5.5.1 The account of any Owner which remains delinquent after expiration of the cure period as provided in **Section 5.2.2** may be referred to the Association's attorney for collection.

5.5.2 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS POLICY, AN OWNER IS LIABLE FOR PAYMENT OF, AND THE PAYMENT PLAN AMOUNT SHALL INCLUDE, ALL LEGAL FEES AND EXPENSES INCURRED BY THE ASSOCIATION AFTER REFERRAL OF THE OWNER'S DELINQUENT ACCOUNT TO THE ASSOCIATION'S ATTORNEY FOR COLLECTION.

5.5.3 NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS POLICY, AFTER REFERRAL OF A DELINQUENT ACCOUNT TO THE ASSOCIATION'S ATTORNEY AND CONTINUING THROUGH THE DATE OF RECEIPT AND NEGOTIATION BY THE ASSOCIATION OF PAYMENT IN FULL OF ALL AMOUNTS THEN DUE TO THE ASSOCIATION, NO NOTICES PURSUANT TO **SECTION 5.2.1** ARE REQUIRED, AND THE ASSOCIATION'S ATTORNEY MAY SEND ANY NOTICE AS PERMITTED OR REQUIRED BY THIS POLICY, INCLUDING AS PROVIDED IN **SECTION 5.2.2**.

6.0 Owner Right to Vote. The Association may not disqualify any Owner from voting in an election of any Board member or on any matter concerning the rights or responsibilities of the Owner for any reason, including any delinquency in payment of amount due to the Association.

7.0 Suspensions. The Association may suspend a delinquent Owner's right to use of common areas, facilities and/or amenities for nonpayment of amounts due to the Association and as otherwise permitted by the Association's governing documents, but only after notice and compliance as otherwise applicable with Section 209.006 of the Texas Property Code.

8.0 Notices. Unless otherwise required by the Association's governing documents, applicable law or this policy, the following provisions apply regarding any notices or other communications (a "notice") permitted or required by this policy.

8.1 "Owner" refers to the Owner, whether one or more, of the applicable property. When two or more persons are an Owner, notice to any Co-Owners is deemed notice to all other Co-Owners.

8.2 Notices may be given to any Owner by personal delivery, by regular mail, by verified mail, by certified mail, return receipt requested, by email, or by facsimile according to the records of the Association, or by any other means as permitted by the Association's governing documents, except as otherwise expressly required by this policy or by law. Substantial compliance by the Association with any notice requirements of this policy is sufficient.

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8.3 Notices to an Owner are deemed given as applicable (i) upon delivery to any recipient at the Owner's address, (ii) upon deposit in the United States mail, (iii) on the day and at the time the email or facsimile is successfully transmitted, or (iv) in any other manner permitted by the Association's governing documents.

8.4 Notices to the Association are deemed given upon actual receipt by the Association's President, Secretary, managing agent or attorney.

9.0 Application; Effective Date; Amendment. This policy adopted as of the date set forth below and is effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, subject to amendment from time to time and at any time by Declarant during the Development Period, or by the Board. Any such amendment shall be effective upon the date of filing in the Official Public Records of Real Property of Harris County, Texas, or such later date as expressed stated in the amendment.

10.0 Controlling Effect. This policy is adopted in lieu of and supersedes any other provisions of any prior policies regarding the express provisions set forth in this policy. In all other respects this policy is cumulative of and in addition to all other provisions of the Association's governing documents and all rights and remedies of the Association pursuant thereto or applicable law.

DATED: January 2, 2014

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