

*Mary Louise Garcia*  
Mary Louise Garcia

PGS 16 \$76.00  
Submitter: ACS

**AFFIDAVIT OF AUTHENTICATION**

STATE OF TEXAS §  
§  
COUNTY OF TARRANT §

BEFORE ME, the undersigned notary public, on this day personally appeared Kim Comiskey, who after being by me first duly sworn, attested and stated as follows:

1. My name is Kim Comiskey. I am over 18 years of age, am of sound mind, and am otherwise fully qualified and competent to make this Affidavit. I have personal knowledge of the facts stated in this Affidavit and they are true and correct.

2. I am currently an officer and a director the Board of Directors (the "Board") of The Heritage Homeowners Association, Inc. a Texas nonprofit corporation (the "Association") and am a duly authorized and qualified witness to certify the authenticity of the attached Records Policy and Assessments Policy described herein. My office is located at Three Lincoln Centre, 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240.

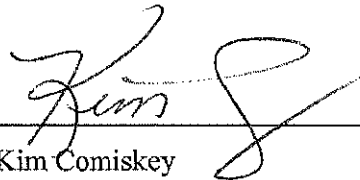
3. In order to be in compliance with certain recent amendments to Chapter 209 of the Texas Property Code, the Association established and adopted, by unanimous written consent of the Board dated October 18, 2011, policies for the retention, inspection, production and costs associated therewith for the books and records of the Association ("Records Policy") and for the alternative payment of delinquent assessments and other amounts owed to the Association ("Assessments Policy"). A true and correct copy of the Records Policy and Assessments Policy are attached hereto and incorporated herein by reference.

Republic Title of Texas, Inc. - COMMERCIAL  
GF # *HLH Heritage* CRU PFS

Return To  
Republic Title of Texas, Inc.  
2626 Howell Street, 10th Floor  
Dallas, Texas 75204

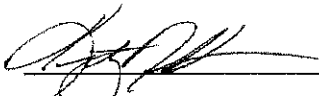
4. In order to be in full compliance Chapter 209 of the Texas Property Code, the Association shall file of record the attached Records Policy and Assessments Policy on or before January 1, 2012.

FURTHER, AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Kim Comiskey  
Duly Authorized Officer

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

Subscribed and sworn to before me on the 22 day of November, 2011, to certify witness my hand and official seal.

  
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

My commission expires:

2-9-12



AFTER RECORDING PLEASE RETURN TO:

Hillwood  
Three Lincoln Centre  
5430 LBJ Freeway, Suite 800  
Dallas, Texas 75240  
Attn: Amy R. Reed, Esq.

**RECORDS RETENTION, INSPECTION, PRODUCTION AND COPYING POLICY**  
**FOR**  
**HERITAGE HOMEOWNERS ASSOCIATION, INC.**  
**("Records Policy")**

In the event of a conflict of interpretation between the provisions set forth in the Governing Documents, hereinafter defined, of Heritage Homeowners Association, Inc. a Texas nonprofit corporation and this Records Policy, this Records Policy shall govern as the conflict relates to the content set forth herein. If the Act or TNCL, hereinafter defined, are hereafter amended or changed, this Records Policy shall be interpreted in a manner which conforms to the provisions of the Act or the TNCL, whichever is applicable, with respect to books and records of associations. Any capitalized terms not defined herein shall have the meaning as set forth in the Governing Documents.

**I. DEFINITIONS:**

**"Act."** Chapter 209 of the Texas Property Code, as amended from time to time.

**"Association."** The Heritage Homeowners Association, Inc. a Texas nonprofit corporation, and its successors and assigns, organized under the TNCL, and created for the purposes and possessing the rights, powers, authority and obligations set forth in the Governing Documents, whose address for notice purposes is c/o Hillwood Alliance Residential, L.P., 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240 as may be changed by the Association from time to time.

**"Association Records."** Those books and records of the Association as more particularly described in Article I of this Records Policy.

**"Board."** The board of directors of the Association.

**"Business Day."** A day other than Saturday, Sunday, or a state or federal holiday.

**"CCRs."** That certain Declaration of Covenants, Easements and Restrictions filed of record December 4, 2000 in the real property records of Tarrant County as Document No. 200270234 in Volume 14634, Page 0404, as amended.

**"County."** Tarrant County, Texas.

**"Declarant Control Period."** That certain time period prior to the Conversion Date during which Declarant, as the Class B Member possesses certain rights and powers as more particularly described in the Declaration.

**"Declaration."** That certain Heritage Residential Association Declaration filed of record August 28, 2000 in the real property records of Tarrant County as Document No. 200192458 in Volume 14494, Page 0158, as amended.

**"Governing Documents."** The Association Documents set forth in the Declaration, the Act, the Declaration, the CCRs, supplemental declarations and any other deed restrictions filed of record in the County, this Records Policy, the Assessments Policy and any other design guidelines and architectural standards adopted by the Architectural Control Committee, as each may be amended from time to time.

**"Governmental Authority."** Any and all applicable courts, boards, agencies, commissions, offices or authorities for any governmental entity (federal, State, County, district, municipal, City or otherwise) whether now or hereafter in existence.

"Legal Requirements." All current judicial decisions, statutes, rulings, rules, regulations or ordinances of any Governmental Authority applicable to the books and records of the Association.

"Manager." Any professional manager or management company that is engaged by the Association to perform any of the duties, powers or functions of the Association.

"Members." Collectively, all present and future Owners of a Lot; and individually, a "Member", including the Class A Members and the Class B Member.

"Membership." The rights and obligations associated with being a Member.

"Minute Book." The minute book of the Association, which shall contain that certain information and documentation as it relates to the Board of Directors and the Association as may required by the Governing Documents including but not limited to the notices provided for and minutes taken of all annual and special meetings of the Members and the Board of Directors and all resolutions of the Board of Directors.

"Owner." Any Person owning fee simple title to a Lot, but excluding any Person having an interest in a Lot solely as security for an obligation.

"Person." Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association and any other legal entity, including any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing

"Real Property Records." The records of the office of the county clerk of the County where instruments concerning real property are recorded.

"TNCL." The Texas Nonprofit Corporation Law, as amended from time to time.

## II. RECORD RETENTION:

A. Required Records. The Association will, at a minimum, retain the following Association Records, in the manner and for the length of time as follows:

1. Governing Documents – the Governing Documents of the Association shall be kept permanently and may be kept in electronic format; in the Minute Book and in any other suitable manner as determined by the Board.
2. Financial Books and Records – financial books and records of the Association shall be retained for at least seven years and may be kept in electronic format, in the Minute Book and in any other suitable manner as determined by the Board.
3. Owner Account Records – records of accounts of Owners shall be maintained by the Association for at least five years and may be kept in electronic format and in any other suitable manner as determined by the Board.
4. Lists – current lists of the names and addresses of members, directors, officers and committee members of the Association shall be maintained at all times by the Association and may be kept in electronic format; in the Minute Book and in any other suitable manner as determined by the Board.

5. Contracts - contracts with a term of one year or more shall be retained for at least four years after the expiration of the contract term and may be kept in electronic format and in any other suitable manner as determined by the Board.
  6. Member and Board of Directors Meeting Minutes – the meeting minutes of all Member and Board of Director meetings shall be kept permanently and shall always be placed in the Minute Book. The Association may also keep meeting minutes in electronic format or in any other suitable manner as determined by the Board.
  7. Tax Returns – annual tax returns filed for the Association shall be retained for at least seven years and may be kept in electronic format, in the Minute Book and in any other suitable manner as determined by the Board.
  8. Architectural Control Committee – applications, approvals, variances and other related documentation issued by the Architectural Control Committee shall be retained for at least five years and may be kept in electronic format and in any other suitable manner as determined by the Board.
- B. Other Records. The Association will maintain certain other documents and records as required and in the appropriate manner established by the TNCL or other Governmental Authority as well as any other books and records of the Association required by the Governing Documents and as the Board deems necessary.

**III. REQUESTS FOR INSPECTION:** The Association shall make the Association Records open and reasonably available for inspection at all times in accordance with the Act.

- A. Requests. All requests to inspect and/or copy Association Records must: 1) be in writing and signed by the requesting Owner or by a person designated in a writing signed by Owner as Owner's agent; 2) contain sufficient detail of the Association Records to be inspected; 3) be mailed by certified mail to the mailing address of the Association or other authorized representative as reflected on the most current management certificate filed of record for the Association; 4) elect to inspect the Association Records prior to obtaining copies or have the Association forward copies of the requested Association Records. The Association shall respond as appropriate to Owner pursuant to the written request and in accordance with the Act on or before the 10th Business Day after the Association receives such request.
- B. Inspection. If an inspection is required or requested, the inspection shall take place at a mutually agreed upon time during normal business hours.

**IV. PRODUCTION AND COSTS:**

- A. Delivery. If an Owner identifies certain Association Records in its written request, and the Association is in possession, custody or control of such records, the Association shall produce the requested Association Records on or before the 10th Business Day after the date the Association receives the request. If the Association is unable to produce the requested Association Records during such time period, then the Association must notify the requestor that the Association is unable to produce the information on or before the 10th Business Day after the date the Association received the written request (the "Production Notice") and set forth a date in the Production Notice by which the Association will send, or make available, the requested Association Records which date shall not be later than the 15th Business Day after the date the Production Notice is given.

- B. Format. The Association may produce requested Association Records in hard copy, electronic format that prohibits alteration of the documents or other format reasonably available to the Association.
- C. Costs of Production. The Association reserves the right to charge and the Owner is responsible for paying charges for the compilation, production and reproduction of requested Association Records including all reasonable costs for materials, labor and overhead up to the maximum amounts set forth in Title 1, Section 70.3 of the Texas Administrative Code, as may be amended, a copy of which is attached to this Records Policy as Exhibit A. The Association may require advance payment of estimated charges to produce Association Records pursuant to a written request and any shortfalls or overpayments of such estimated charges versus the actual costs to produce shall be settled in accordance with the Act.
- D. Privacy. Except as otherwise provided by the Act, the Association is not required to release or allow inspection of any Association Records that: 1) identify the violation history of an Owner; 2) include an Owner's personal financial information, including any nonpayment of Assessments; or 3) provide information related to an employee of the Association, including personnel files. Information released in accordance with this Records Policy may be provided in an aggregate or summary manner in order to protect the privacy of an Owner and requested Association Records may be redacted to protect confidential, privileged, personal or protected information that is not required to be disclosed by the Act. Notwithstanding the foregoing, the Association, Board of Directors, Declarant or any of their officers, directors, employees, agents or representatives shall be liable for damages to an Owner, or a third party, as the result of identity theft or other breach of privacy because of the failure to withhold or redact an Owner's information unless the failure to withhold or redact the information was intentional, willful, or negligent.
- E. Limitations on Use. The Association Records provided to an Owner pursuant to this Records Policy may not be sold, used for any commercial purposes or any other purpose not directly related to an Owner's interest as a member of the Association and as a property owner. The Association may bring an action against any person who violates this Article IV, Section E for injunctive relief and for actual damages to the Association caused by such violations and may recover reasonable costs and expenses, including reasonable attorney's fees, in a successful action to enforce its rights hereunder.

V. MISCELLANEOUS:

- A. Amendments. Notwithstanding any other provision in the Governing Documents or the Act to the contrary, the Board of Directors appointed by the Class B Member (Declarant) during the Declarant Control Period may amend this Records Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Upon the expiration or termination of the Declarant Control Period, the Board of Directors elected by the Class A Members may amend this Records Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Any amendment to this Record Policy shall become effective upon recordation in the Real Property Records of the County.
- B. Effective Date. This Records Policy was unanimously adopted by the Board of Directors in that certain written consent entitled Consent of Directors in Lieu of Special Meeting of the Association dated October 18, 2011 and shall be effective as of the date such policy is recorded in the Real Property Records of the County which date shall be no later than January 1, 2012.

## EXHIBIT A TO RECORDS POLICY

### Title 1, Section 70.3 of the Texas Administrative Code

(a) The charges in this section to recover costs associated with providing copies of public information are based on estimated average costs to governmental bodies across the state. When actual costs are 25% higher than those used in these rules, governmental bodies other than agencies of the state, may request an exemption in accordance with §70.4 of this title (relating to Requesting an Exemption).

(b) Copy charge.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

(A) Diskette--\$1.00;

(B) Magnetic tape--actual cost;

(C) Data cartridge--actual cost;

(D) Tape cartridge--actual cost;

(E) Rewritable CD (CD-RW)--\$1.00;

(F) Non-rewritable CD (CD-R)--\$1.00;

(G) Digital video disc (DVD)--\$3.00;

(H) JAZ drive--actual cost;

(I) Other electronic media--actual cost;

(J) VHS video cassette--\$2.50;

(K) Audio cassette--\$1.00;

(L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--\$.50; or

(M) Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.

(c) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.

(1) The hourly charge for a programmer is \$28.50 an hour. Only programming services shall be charged at this hourly rate.

(2) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

(3) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

(d) Labor charge for locating, compiling, manipulating data, and reproducing public information.

(1) The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(2) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

(A) Two or more separate buildings that are not physically connected with each other; or

(B) A remote storage facility.

(3) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(A) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(B) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(4) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(5) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(6) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

(e) Overhead charge.

(1) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(2) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).



(3) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing,  $\$15.00 \times .20 = \$3.00$ ; or Programming labor charge,  $\$28.50 \times .20 = \$5.70$ . If a request requires one hour of labor charge for locating, compiling, and reproducing information ( $\$15.00$  per hour); and one hour of programming labor charge ( $\$28.50$  per hour), the combined overhead would be:  $\$15.00 + \$28.50 = \$43.50 \times .20 = \$8.70$ .

(f) Microfiche and microfilm charge.

(1) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(2) If only a master copy of information in microfilm is maintained, the charge is \$.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

(g) Remote document retrieval charge.

(1) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(2) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

(h) Computer resource charge.

(1) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(2) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(3) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--\$10 per CPU minute; Midsize--\$1.50 per CPU minute; Client/Server--\$2.20 per clock hour; PC or LAN--\$1.00 per clock hour.

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows:

$\$10 / 3 = \$3.33$ ; or  $\$10 / 60 \times 20 = \$3.33$ .

(5) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

(i) Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

(j) Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

(k) Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).

(l) Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

(m) These charges are subject to periodic reevaluation and update.

**ALTERNATIVE PAYMENT POLICY AND SCHEDULE FOR ASSESSMENTS  
FOR  
HERITAGE HOMEOWNERS ASSOCIATION, INC.  
("Assessments Policy")**

In the event of a conflict of interpretation between the provisions set forth in the Governing Documents, hereinafter defined, of Heritage Homeowners Association, Inc., a Texas nonprofit and this Assessments Policy, this Assessments Policy shall govern as the conflict relates to the content set forth herein. If the Act or TNCL, hereinafter defined, are hereafter amended or changed, this Assessments Policy shall be interpreted in a manner which conforms to the provisions of the Act or the TNCL, whichever is applicable, with respect to payment of Delinquent Assessments and other amounts owed to the Association. Any capitalized terms not defined herein shall have the meaning as set forth in the Governing Documents.

**I. DEFINITIONS:**

"Act." Chapter 209 of the Texas Property Code, as amended from time to time.

"Association." The Heritage Homeowners Association, Inc. a Texas nonprofit corporation, and its successors and assigns, organized under the TNCL, and created for the purposes and possessing the rights, powers, authority and obligations set forth in the Governing Documents, whose address for notice purposes is c/o Hillwood Alliance Residential, L.P., 5430 LBJ Freeway, Suite 800, Dallas, Texas 75240 as may be changed by the Association from time to time.

"Assessments." Those assessments described in Article III of the Declaration and as may be further described in the remaining Governing Documents.

"Board." The board of directors of the Association.

"CCRs." That certain Declaration of Covenants, Easements and Restrictions filed of record December 4, 2000 in the real property records of Tarrant County as Document No. 200270234 in Volume 14634, Page 0404, as amended.

"County." Tarrant County, Texas.

"Declarant Control Period." That certain time period prior to the Conversion Date during which Declarant, as the Class B Member possesses certain rights and powers as more particularly described in the Declaration.

"Declaration." That certain Heritage Residential Association Declaration filed of record August 28, 2000 in the real property records of Tarrant County as Document No. 200192458 in Volume 14494, Page 0158, as amended.

"Governing Documents." The Association Documents set forth in the Declaration, the Act, the Declaration, the CCRs, supplemental declarations and any other deed restrictions filed of record in the County, the Records Policy, this Assessments Policy and any other design guidelines and architectural standards adopted by the Architectural Control Committee, as each may be amended from time to time.

"Governmental Authority." Any and all applicable courts, boards, agencies, commissions, offices or authorities for any governmental entity (federal, State, County, district, municipal, City or otherwise) whether now or hereafter in existence.

"Legal Requirements." All current judicial decisions, statutes, rulings, rules, regulations or ordinances of any Governmental Authority applicable to the payments of Assessments to the Association.

"Manager." Any professional manager or management company that is engaged by the Association to perform any of the duties, powers or functions of the Association.

"Members." Collectively, all present and future Owners of a Lot; and individually, a "Member", including the Class A Members and the Class B Member.

"Membership." The rights and obligations associated with being a Member.

"Minute Book." The minute book of the Association, which shall contain that certain information and documentation as it relates to the Board of Directors and the Association as may required by the Governing Documents including but not limited to the notices provided for and minutes taken of all annual and special meetings of the Members and the Board of Directors and all resolutions of the Board of Directors.

"Owner." Any Person owning fee simple title to a Lot, but excluding any Person having an interest in a Lot solely as security for an obligation.

"Person." Any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association and any other legal entity, including any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing

"Real Property Records." The records of the office of the county clerk of the County where instruments concerning real property are recorded.

"TNCL." The Texas Nonprofit Corporation Law, as amended from time to time.

## II. PAYMENT OF ASSESSMENTS:

A. Due Date. Regular Assessments are due in the amount and on the dates established in the Declaration, pursuant to Article III thereof, and any other assessments, including special assessments, due and payable in accordance with Article III of the Declaration or as otherwise specified by the Board of Directors in a notice imposing such assessment in accordance with the Act (collectively, "Due Date"). Assessments are considered delinquent if not received, payment in full, by the Association on the Due Date ("Delinquent Date").

B. Notice of Delinquent Amounts. The Association will notify an Owner within 30 days of the Delinquent Date that such Owner's account is delinquent which notice will set forth the following information:

1. Specifies each delinquent amount and the total amount owed to the Association in order to make the account current ("Delinquent Amounts");
2. Describes the options Owner has to avoid the account being turned over to a collection agency including the availability of the Payment Plan, hereinafter defined; and

3. Provides 30 days for Owner to cure the delinquency before further collection actions are taken.

The notice requirement set forth in this Article II, Section B was established by and is set forth in the Act. If the Association decides to send any type of "courtesy" notice letter to an Owner after the Due Date has passed, prior to the written notice required in this Article II, Section B, such notice shall be of a courtesy nature only, puts no obligation or requirement on the Association to provide courtesy notices at any time now or in the future and sending such notices may be ceased at any time without notice to any Owner. The written notices required by this Assessments Policy and the Act, to be sent to an Owner regarding Delinquent Assessments, shall be the only notices the Association or Manager, whichever is applicable, is obligated or required to send.

C. Payment Plan. The Act requires the Association to provide an alternative payment plan for Delinquent Amounts owed to the Association ("Payment Plan"). Once the Association has provided the requisite written notice to an Owner for Delinquent Amounts pursuant to Article II, Section B hereof and subject to the eligibility requirements set forth in Article II, Section E, such Owner may enter into a Payment Plan with the Association to pay the Delinquent Amounts.

D. Guidelines for Payment Plan. Once an Owner enters into a Payment Plan ("Plan Date"), such Owner will begin making partial payments to the Association until the Delinquent Amount is paid in full. The Association may use the following timelines and terms as a general guideline for the Payment Plan, however Payment Plans may be customized to meet the needs of individual Owners as may be necessary so long as any customization does not violate this Assessments Policy, the Governing Documents or the Act. In no event will any Payment Plan be offered for a term of less than three months or greater than 18 months from the Plan Date.

**12 Month /Equal Payment Plan** – 12 equal partial payments of the Delinquent Amounts to be paid to the Association on the same day of each month as set forth in the Payment Plan; if the payment date specified in the Payment Plan falls on a holiday or weekend day, the payment will be due the first Business Day following such holiday or weekend day.

**Payment Commencement** - First partial payment due under the Payment Plan shall be due and payable 30 days from the Plan Date.

**Interest and Fees** – additional monetary penalties (late fees, fines for Delinquent Assessments, interest on fines and late fees and similar type penalties) may not be charged to any Owner who participates in a Payment Plan after the Plan Date. Monetary penalties do not include reasonable costs associated with administering the Payment Plan or interest on the Delinquent Amounts.

E. Eligibility for Payment Plan. The Association is not required to enter into a Payment Plan with any Owner who has failed to honor the terms of any previous Payment Plan entered into with the Association for a period of two years following such Owner's default under the previous Payment Plan. When an Owner is not eligible for a Payment Plan pursuant to this Article II, Section E, all Delinquent Amounts owed to the Association must be paid in full pursuant to the written notice provided to the Owner pursuant to Article II, Section B. The Association shall not be required to accept any partial or installment payments of Delinquent Amounts from the date of the institution of an action to enforce the payment thereof to the time that all such amounts are paid in full.

F. Application of Payments: Except as otherwise set forth in the Act, such as when an Owner is in default of a Payment Plan, payments made under a Payment Plan shall be applied to Owner accounts in the following order of priority:

1. Delinquent Assessments
2. Current Assessments
3. Attorney's fees or third party collection costs
4. Fines
5. Other amounts owed to the Association

G. Default on Payment Plan. If any partial payment on the Payment Plan is not paid on the due date specified in such Payment Plan, and after written notification of such missed payment to Owner ("Payment Plan Default Notice"), Owner fails to make the partial payment within the specified timeframe stated in the Payment Plan Default Notice, the Owner shall be deemed in default of the Payment Plan. Once an Owner is in default of a Payment Plan, the Association may declare the entire remaining unpaid Delinquent Amount immediately due and payable by written notice to the Owner and commence collection proceedings to collect such amount without regard to the Payment Plan.

H. No Response to Payment Plan. In the event an Owner refuses to participate in a Payment Plan either by express refusal or no response to the default notices sent to Owner pursuant to this Assessment Policy, the Act and any other applicable laws, and any applicable cure periods during which the Owner has the opportunity to pay the Delinquent Amounts without further penalty have expired, the Association may declare the Delinquent Amounts immediately due and payable by written notice to the Owner and commence collection proceedings to collect such amounts.

III. **FORECLOSURE**: So long as the Association is in compliance with the Act and other applicable law with regard to collection of Delinquent Amounts, including but not limited to the requirements set forth in this Article III, assessment liens created pursuant to the Declaration may be foreclosed on or enforced by any means available at law or in equity.

A. Notice to Lienholders. The Association may not foreclose an assessment lien unless the Association has provided the requisite notice to any record lien holder on an Owner's property and provided such lien holder an opportunity to cure the Delinquent Amounts pursuant to the Act.

B. Judicial Foreclosure Required. The Association shall strictly follow the rules for expedited foreclosure proceedings of assessment liens adopted by the Texas Supreme Court on or before January 1, 2012, as may be amended.

C. Notice to Owners and Military Servicemembers. Owners who are military servicemembers may be afforded special protection in the event of foreclosure. In order to ensure that the Association affords such persons this protection and follows all applicable law in addition to the Act related to defaulted Owners and foreclosure of real property, it shall comply with the following provisions.

1. The Association shall strictly comply with the Act and Chapter 51 of the Texas Property Code, as amended and shall deliver all notices and follow all procedures required therein as the same may apply to foreclosures resulting from Owners' failure to pay Delinquent Amounts.

2. Notices served upon Owners pursuant to Chapter 51.002(b)(3) and (d) of the Texas Property Code, (b)(3) (*relating to a required written notice of sale*) and (d) (*relating to written notice that a debtor is in default*), must state the name and address of the sender of the notice and contain the following statement in conspicuous, boldface or underlined type:

**Assert and protect your rights as a member of the armed forces of the United States. If you are or your spouse is serving on active military duty, including active military duty as a member of the Texas National Guard or the National Guard of another state or as a member of a reserve component of the armed forces of the United States, please send written notice of the active duty military service to the sender of this notice immediately.**

3. Pursuant to Chapter 51.015 of the Texas Property Code, foreclosure of an assessment lien created before the date on which a servicemember's active duty military service commences may not be conducted during a military servicemember's period of active duty military service or during the nine months after the date on which that service period concludes unless the foreclosure is conducted under a court order or the military servicemember waived his rights pursuant to and in accordance with Chapter 51.015(e) of the Texas Property Code.

#### IV. MISCELLANEOUS:

A. Amendments. Notwithstanding any other provision in the Governing Documents or the Act to the contrary, the Board of Directors appointed by the Class B Member (Declarant) during the Declarant Control Period may amend this Assessments Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Upon the expiration or termination of the Declarant Control Period, the Board of Directors elected by the Class A Members may amend this Assessments Policy in accordance with and pursuant to the powers granted thereto in the Governing Documents. Any amendment to this Assessments Policy shall become effective upon its recordation in the Real Property Records of the County.

B. Effective Date. This Assessments Policy was unanimously adopted by the Board of Directors in that certain written consent entitled Consent of Directors in Lieu of Special Meeting of the Association dated October 18, 2011 and shall be effective as of the date such policy is recorded in the Real Property Records of the County which date shall be no later than January 1, 2012.

After Recording Return To:  
Republic Title of Texas, Inc.  
2626 Howell Street, 10<sup>th</sup> Floor  
Dallas, TX 75204