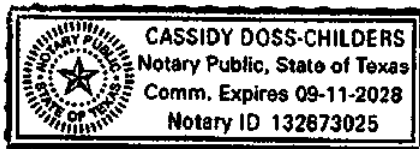


By: Dawn Kelly
Name: Dawn Kelly
Title: Authorized Agent

ACKNOWLEDGMENT**STATE OF TEXAS****COUNTY OF TARRANT**

BEFORE ME, the undersigned authority, on this day personally appeared Dawn Kelly, authorized agent of **TRACE RIDGE OWNERS ASSOCIATION, INC.** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposed and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 15th day of August, 2025



Cassidy Doss-Childers

TRACE RIDGE OWNERS ASSOCIATION, INC.

POLICY REGARDING THE COLLECTION AND PAYMENT OF ASSESSMENTS AND OTHER CHARGES AND FEES

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

WHEREAS, the Board of Directors ("*Board*") of Trace Ridge OA, a Texas non-profit corporation ("*Association*"), is empowered to govern the affairs of the Association pursuant to Article VIII of the Declaration of Covenants, Conditions and Restrictions for Trace Ridge, recorded under Instrument Number D199035959 of the Official Public Records of Tarrant County, Texas ("*Declaration*") and the Texas Business Organizations Code; and

WHEREAS, the Board, on behalf of the Association, has determined that there is a need to adopt or amend a specific collection policy ("*Policy*") on the collection and payment of assessments¹ and other charges and fees owed to the Association pursuant to the Declaration; and

WHEREAS, it is the intent that this Policy shall rescind, amend, and restate all prior policies adopted by the Association governing the collection of assessments, shall be applicable to all Members² of the Association, and shall remain in effect until otherwise rescinded, modified, or amended by the Board pursuant to the governing documents.

NOW, THEREFORE BE IT RESOLVED THAT, the following Policy on the collection and payment of assessments and other charges and fees owed by the Members pursuant to the Declaration is hereby adopted by the Board:

Due Date for Assessment – Assessments are billed annually and due in full on the 1st day of January of each year ("*Due Date*").

Delinquency Date for Assessment – Any assessment not paid by 5:00 p.m., by the last day of the aforementioned month in the "Due Date for Assessment" shall be delinquent ("*Delinquency Date*").

Late Charges and Handling Fees – Any assessment, fine, or charge not paid by the Delinquency Date shall result in the imposition of a late charge. In addition to a collection fee, a late charge may be imposed in which an account reflects an unpaid assessment balance until paid in full.

¹ The term "assessments" may include, as authorized by the Declaration, special assessments, specific assessments, individual assessments, initiation assessments, yard assessments, capital improvement assessments, and other sums assessed against any Lot. The Board may establish alternate payment schedules for certain assessments.

² The terms "Members" and "Owners" are used interchangeably in this Policy.

Returned Check Fees – A fee of not less than \$30.00 may be levied by the Association for any check returned to the Association marked “not sufficient funds” or the equivalent. Such amount shall be in addition to any charges made by the bank due to the dishonored check. Notwithstanding this provision, the Association may elect to pursue additional remedies at any time in accordance with applicable law. In addition, if two (2) or more of a Member’s checks are returned unpaid by the bank within any 12-month period, the Association may require that all of the Member’s future payments, for a period of one (1) year, be made by certified check or money order.

Lock Boxes – The Association may establish a lock box for receipt of all payments from Owners. PAYMENTS MADE TO A LOCK BOX ARE DEPOSITED IN THE ASSOCIATION’S BANK ACCOUNT WITHOUT REGARD TO COMMUNICATIONS OR OTHER NOTICES ENCLOSED WITH OR STATED ON THE PAYMENT. ANY NOTICE OR COMMUNICATION (INCLUDING, WITHOUT LIMITATION, A DISPUTE OF THE DEBT) ENCLOSED WITH OR STATED ON THE PAYMENT TO THE LOCKBOX WILL BE INEFFECTIVE AND NOT BINDING ON THE ASSOCIATION. ANY DISPUTE OF AN ASSESSMENT OR RELATED CHARGE, ANY PROPOSED TENDER OF AN AMOUNT OF LESS THAN PAYMENT OF THE ENTIRE AMOUNT CLAIMED TO BE DUE BY THE ASSOCIATION INTENDED TO SATISFY THE OWNER’S DEBT IN FULL, OR ANY CHANGE IN THE IDENTITY, STATUS OR ADDRESS OF AN OWNER, TO BE VALID, MUST BE IN WRITING, AND SENT TO THE ASSOCIATION’S MANAGING AGENT AT THE ADDRESS SET FORTH IN THE MOST RECENTLY FILED MANAGEMENT CERTIFICATE. THE ACT OF CASHING A CHECK RECEIVED FROM AN OWNER BY THE ASSOCIATION DOES NOT CONSTITUTE AN ACCEPTANCE OF THAT AMOUNT AS PAID IN FULL, WHETHER OR NOT THE OWNER HAS NOTATED THAT SUCH AMOUNT MAKES THE ACCOUNT “PAID IN FULL”. THE ASSOCIATION RESERVES THE RIGHT TO ACCEPT PARTIAL PAYMENTS AND WILL NOTIFY THE OWNER OF ANY ADDITIONAL AMOUNTS OWED ALONG WITH A DUE DATE FOR THE REMAINDER OF THAT BALANCE.

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 Lot 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 Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both. It is the responsibility of the Owner to update the Association with regards to any address, telephone number, or e-mail address changes.

Notification of Owner’s Representative – Where the interests of an Owner in a Lot 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 Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such representative or agent.

FEE SCHEDULE, MAILINGS AND ACTION STEPS

The Association shall take the following actions to collect any assessment, fine, or charge not paid by the Delinquency Date, unless otherwise directed by the Board. In addition to the above-described collection expenses, the Owner is responsible for all administrative expenses incurred in collecting the delinquent amount. Please refer to Exhibit 1, attached and incorporated herein, for additional information on the process, including expenses. Collectively, these actions shall be referred to herein as the "*Collection Steps*":

Reminder Statement of Account (First, Second Notice) – A Reminder Statement of Account or notice of delinquency will be mailed after any assessment becomes delinquent. The Reminder Statement of Account must be provided by first class mail to the Owner's last known mailing address or by email, if an email address has been provided by the Owner. The Association may send one (1) or more Reminder Statements.

Association Demand Letter (Third Notice) – An Association Demand Letter will be mailed no earlier than 30 days *after* the Reminder Statement of Account is mailed. The Association Demand Letter shall: (i) be sent via Certified Mail and First-Class U.S. Mail; (ii) specify each delinquent amount and the total amount of the payment required to make the account current; (iii) provide a period of at least 45 days to bring the account current; and (iv) provide information relative to the availability of a payment plan.

Attorney Demand Letter – If no payment is received, an Attorney Demand Letter will be mailed no earlier than 45 days *after* the Association Demand Letter is sent.

Notice of Assessment Lien or Unpaid Lien – If no payment is further received, a Second Attorney Demand Letter will be mailed and a Notice of Assessment Lien or similarly titled instrument will be filed with the office of the county clerk, no earlier than 30 days after the initial Attorney Demand Letter is sent.

The Notice of Lien may not be filed until at least 90 days *after* the date of the Association Demand Letter is sent to the Owner.

Inferior Lien Notice of Default and Opportunity to Cure.

If there is subordinate Deed of Trust lien on the property of the Owner, then the attorney will also:

- (a) provide written notice of the total amount of the delinquency giving rise to the foreclosure to any other holder of a lien of record on the property whose lien is inferior or subordinate to the Association's lien and is evidenced by a deed of trust; and
- (b) provide the recipient of the notice an opportunity to cure the delinquency before the 61st day after the date the recipient receives the notice.

Foreclosure Proceedings – Foreclosure proceedings will be initiated as approved by the Board. In the event the Member fails to cure the delinquency, the Board may direct the attorney to pursue foreclosure of the lien. In any foreclosure proceedings, the Member shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

Expedited Foreclosure Pursuant to Rules 735 & 736 of the Texas Rules of Civil Procedure. The Board may decide to foreclose its lien by exercising its power of sale granted by the Declaration. In such event, the attorney may commence expedited foreclosure lawsuit under Rules 735 and 736 of the Texas Rules of Civil Procedure.

Judicial Foreclosure. The Association may file suit for judicial foreclosure of the assessment lien, which suit may also seek a personal money judgment.

Lawsuit for Money Judgment – The Association may file suit for a money judgment in any court of competent jurisdiction.

Bankruptcy – Upon notification of a petition in bankruptcy, the Association may refer the account to the attorney.

Remedies Not Exclusive – All rights and remedies provided in this Policy are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, the Association's governing documents or otherwise.

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 Lot 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 Lot, will be valid and effective for all purposes 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. It is the responsibility of the Owner to update the Association with regards to any address, telephone number, or e-mail address changes.

Delegation of Collection Procedures – From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to Management, an attorney, or a debt collector.

PAYMENT APPLICATION POLICY

Except as otherwise provided for and authorized by law, any payment received by the Association from a Member whose account reflects an unpaid balance shall be applied to the outstanding balance in the following order:

1. Any delinquent Assessment;
2. Any current Assessment;
3. Cost of collection, including attorney's fees and any other charges that could serve as the basis for foreclosure;
4. Any attorney's fees which were not incurred to collect assessments;
5. Violations fines; and
6. Any other amount owed the Association.

PAYMENT PLANS

It is the intention of the Association to work with Members who have a legitimate reason and/or hardship interfering with their ability to satisfy their obligation to pay assessments to the Association, without penalizing those Members who make their payments on time. Therefore, in an effort to assist these Members in the payment of their assessments to the Association, a Member shall have the right to enter into a Payment Plan Agreement:

1. Assessments that become due during the term of the Payment Plan Agreement must also be included and be paid as part of the payment plan.
2. The Payment Plan Agreement must include the total debt to the Association including late fees, fines, collection costs, and the costs incurred by the Association to prepare the Payment Plan Agreement. Additional costs associated with administering the Payment Plan Agreement will be added to the Member's account during the term of the Payment Plan Agreement. During the term of the Payment Plan Agreement, late charges shall accrue but shall be suspended and not added to the Member's account.
3. There shall be no waiver of any charges on the Member's account.
4. To be eligible for the payment plan, the Member must not have defaulted on a prior Payment Plan Agreement within the two (2) year period preceding the request for a payment plan.
5. The Payment Plan Agreement must contain a schedule setting forth the date each payment is required to be made under the Payment Plan Agreement ("*Schedule Due Date*"), as well as the amount of each payment, and all payments must be received on or before the Scheduled Due Date.
6. The minimum payment schedule term is three (3) months and the maximum payment schedule term is twelve (12) months with equal payments.
7. Any Payment Plan Agreement approved *after* the foreclosure sale proceedings have been commenced may include delivery of a percentage, as determined by the Association, of the outstanding balance payable in certified funds.
8. All violations of the Declaration must be resolved by the Member prior to engaging in a payment plan.

Should the Member default or otherwise violate their Payment Plan Agreement:

1. The Association's Collection Steps shall be reinstated at the point of interruption when the Payment Plan Agreement was entered into by both parties.
2. All suspended and accrued late fees shall be reinstated to the Member's account.
3. The Member's unpaid balance shall become immediately due and payable.

Any payments received after the breach of an approved Payment Plan Agreement shall be applied as set forth in the Declaration.

FEE WAIVER REQUEST

It is the intention of the Board to work with Members who have a legitimate reason for making a late payment, but not to the detriment of Members who make their payments on time. The Board recognizes that extenuating circumstances may prevent a Member from paying assessments before they become delinquent. Therefore, the Board may grant a waiver to the payment of a portion of the fees owed due to delinquent assessments (*i.e.*, late fees or charges, or collection fees) owed by a Member subject to the following limitations:

1. Requests for waivers shall not be granted for any assessment, out of pocket collection costs to the Association, *i.e.*, demand letters, attorney fees, other collection expenses, etc.
2. Requests for waivers shall not be granted to any Member who has previously received such a waiver within the past 24 months.
3. Requests for waivers shall not be granted to any Member who has defaulted on a previously approved Payment Plan Agreement.
4. All approved waivers will be subject to the Member's unpaid balance being received within five (5) business days of the date the waiver approval was communicated to the Member. If a Member is unable to pay the unpaid balance within this time-period, the waiver will be denied but the Member will be allowed the opportunity to request a payment plan, if eligible under the terms of this Policy.
5. Late fees or other waived charges shall not be removed from the Member's account until the Member's final payment has been received and cleared.

PARTIAL OR CONDITIONED PAYMENT

The Association may refuse to accept partial payments (*i.e.*, less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Owner's account. If the Association does not accept the payment at that time, it will promptly return or refund the payment to the payer. A payment that is not returned or refunded to the payer within 30 days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent assessments does not waive the Association's right to pursue or continue pursuing its remedies for payment in full of all outstanding obligations.

DEFINITIONS

Capitalized terms used but not defined in this Policy shall have the meaning subscribed to such terms in the Declaration.

CONFLICT

Notwithstanding the foregoing, no term or provision contained herein shall amend the Declaration. In the case of any conflict between this Policy and the Declaration, the Declaration shall control.

INDEPENDENT JUDGMENT

Notwithstanding the contents of this Policy, the officers, directors, managing agent or community manager, and attorney of the Association may exercise their independent, collective, and respective judgment in applying this Policy.

VERIFICATION OF INDEBTEDNESS AND COMPLIANCE WITH THE SOLDIERS' AND SAILORS' CIVIL RELIEF ACT

For so long as the collection of assessments may be subject to the requirements of the Fair Debt Collection Practices Act ("FDCPA"), all communications from Management and the attorney will include such required notices as are prescribed by the FDCPA, the Soldiers and Sailors Relief Act ("SCRA"), and the Texas Property Code. 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, the SCRA, and the Texas Property Code, to the extent such acts may apply.

SEVERABILITY AND LEGAL INTERPRETATION

In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

IT IS FURTHER RESOLVED that this Policy replaces and supersedes, in all respects, all prior policies and resolutions addressing the collection of assessments by the Association, and is effective upon its filing with the office of the county clerk, and shall remain in force and effect until revoked, modified, or amended by the Board.

IN WITNESS WHEREOF, the Board has caused this Policy to be effective and executed by its duly authorized representative as of the August 5, 2025.

**TRACE RIDGE OA,
a Texas non-profit corporation**

By: Dawn Kelly
Its: Authorized Agent

EXHIBIT I

Notice	Description	Fees
First Notice (30 Days to Cure)	Sent via first-class mail or email • Issued by the billing department 30 days after the original due date as a statement showing the total amount due. • Only issued to owners with a balance of \$25 or more. • Only issued to owners not on a payment plan. • Interest is not calculated on balances.	Late Fee: \$25.00 + Collection Fee \$15.00
Second Notice (30 Days to Cure)	Sent via first-class mail or email • Issued by the billing department as a late letter (typically 30 days after the first notice). • A statement of account is provided. • Only issued to owners with a balance of \$50.00 or more per account.	Late Fee: \$25.00 + Collection Fee \$15.00
Third Notice (45 Days to Cure)	Sent via certified and first-class mail • Issued by the billing department as a late letter (typically 30 days after the second notice). This is referenced as a Chapter 209 letter. • Includes the Fair Debt Collection verbiage and allows the account holder 45 days from receipt of notice to address the delinquent account. • A statement of account is provided. • Only issued to owners with a balance of \$50.00 or more per account.	Late Fee: \$50.00 + Collection Fee \$15.00
Referral to Legal Counsel		
Fair Debt Notice from Legal Counsel (35 Days to Cure)	• This is a demand letter sent from the counsel of the association. This step is approved by the board before the legal process beings.	Late Fee: \$50.00 + Collection Fee \$25.00 + Attorney Costs
Ordering Title Report	• If no response from the account holder, a title search is ordered. • Process takes approximately 10 days.	Title Search + Attorney Costs Applied to Account
Lien Filing	• The billing department will proceed with an Authorization to Lien unless the Board of Directors stipulates otherwise. • The Lien is filed with the county clerk in Tarrant County and is a legal record of debt, owed and secured against the property.	Late Fee: \$50.00 + Collection Fee \$25.00 + Attorney Costs
Foreclosure	• Authorization of Foreclosure must be in writing during a meeting of the board. • The written approval is to be in the form of Board approved meeting minutes or a signature of approval from a Board meeting. • A signed Assignment of Substitutes Trustee Deed is required to be signed by the Board Members allowing legal counsel to move forward.	Late Fee: \$100.00 + Collection Fee \$25.00 + Attorney Costs