

Wisdom Creek Homeowners Association, Inc.
c/o Essex Association Management, LP
1512 Crescent Drive, Suite 112
Carrollton, TX, 75006

August 3, 2016

Re: New Collection Policy

Dear Homeowner,

In an effort to collect past due funds on delinquent accounts within Wisdom Creek Homeowners Association, Inc. we have filed an amended Collection Policy with the Dallas County Clerk. Section 9 of the enclosed Policy now states the following verbiage regarding Credit Reporting:

9. Collection Agencies. In the event an account has not been paid in full following thirty (30) days from the date the Delinquency Notice was mailed to the Owner, the Association's agent may refer the account to a collection agency for collection, including reporting delinquent account to any credit bureau or other agency providing credit histories to authorized entities. All costs incurred by the Association for using the services of a collection agency, or administering the referral and handling of the account to a collection agency, are deemed costs of collection of the Association. Such costs of collection, when incurred by the Association and added to an Owner's account, are secured by the Assessment Lien described in Article VI of the Declaration, and will be subject to recovery in the manner provided herein for assessments.

Should you have any questions regarding the new Collection Policy, please email info@essexhoa.com for further information. To view your account online please click on the "View My Account" tab at www.essexhoa.com; you will need your 7 Digit Account Number to create an account. If you believe that you have a past due balance, please contact our Billing Manager at Madison@essexhoa.com. Madison Landis will be able to assist you with making payment arrangements which would stop further late/collection fees and collection activity accruing due to a delinquency. If you cannot pay your balance in full, please email Madison requesting information on a Payment Plan/Payment Options. She will be able to provide you with feasible monthly payment terms which would benefit you as well as the HOA.

Please note that effective 6/30/16 we now bank with Mutual of Omaha Bank. You can pay online at <https://cabpayments.mutualofomahabank.com/>. There is no charge for eCheck payments, and the credit card payments are \$14.95. To register to make the payment you will need to enter **Management Company ID #3136, the 3 Digit Association ID #300, and your 7 Digit Account # (less the leading 0's and the dash)**. If you are mailing a check, please make it payable to Wisdom Creek HOA and reference your 7 Digit Account # on the bottom left of the check. You can also pay over the phone through PayLease at 1 (866) 729-5327.

Please mail all payments to:
Wisdom Creek HOA
P.O. Box 52330
Phoenix, AZ 85072-2330.

Sincerely,

The Billing Department, Essex Association Management, LP
On behalf of Wisdom Creek Homeowners Association, Inc.

Enclosures

EXHIBIT A-1

WISDOM CREEK HOMEOWNERS ASSOCIATION, INC.

ASSESSMENT COLLECTION POLICY

WHEREAS, Wisdom Creek Homeowners Association, Inc. (the "Association") has authority pursuant to Article VI of the Declaration of Covenants, Conditions & Restrictions for Wisdom Creek (the "Declaration") to levy assessments against Owners of Lots within Wisdom Creek, a planned community located in Dallas County, Texas (the "Property"); and

WHEREAS, in order to facilitate the timely collection of assessments and other amounts owed by Owners, and in order to comply with the Declaration and the laws of the State of Texas regarding the collection of unpaid amounts, the Board desires to establish certain procedures for the collection of assessments that remain unpaid beyond the prescribed due dates.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by Owners in the Property and the same are to be known as the "Assessment Collection Policy" ("Policy") for the Association:

1. Generally. The steps and procedures contained in this Policy serve as a general outline of the Association's collection process. The Association is not bound to follow these exact procedures in every collection matter except as required by the Declaration and the laws that govern collection of assessments. The procedures below are not intended to constitute a prerequisite or condition precedent to the Association's legal ability to collect unpaid assessments and other amounts except as required by the Declaration or law.

2. Due Dates. Pursuant to Article VI of the Declaration, the due date for the Annual Assessment is January 1 of each year (the "Due Date"). The due date and delinquency date for a Special Assessment authorized per the Declaration shall be determined by the Board of Directors. Any Annual Assessment which is not paid in full January 31 is delinquent (the "Delinquency Date") and shall be assessed late fees and interest as provided below.

3. Written Notice of Delinquency. Subsequent to an Owner becoming delinquent, and prior to referring the account to the Association's legal counsel for collection, the Association will send written notice of the delinquency to the Owner via certified mail (the "Delinquency Notice"). The Delinquency Notice shall: (i) detail each delinquent amount and the total amount owed; (ii) describe the options the Owner has to avoid having the account referred to the Association's legal counsel, including the availability of a payment plan, and (iii) provide the Owner a period of at least thirty (30) days to cure the delinquency before further collection action is taken.

4. Payment Plans. Section 209.0062 of the Texas Property Code requires that the Association adopt reasonable guidelines to establish an alternate payment schedule by which an owner may make partial payments for delinquent amounts owed to the Association in certain

circumstances. The Board has adopted and recorded a policy which governs payment plans and the Association will follow the policies and procedures contained therein.

5. Interest. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, interest on unpaid assessments at the rate of ten percent (10%) per annum from the Delinquency Date until paid shall be charged to the Owner's account. Such interest, as and when it accrues hereunder, is secured by the Assessment Lien described in Article VI of the Declaration, and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection interest; provided, however, that the waiver of interest shall not constitute a waiver of the Board's right to collect any interest or any other charges in the future.

6. Late Charges. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, late charges in an amount up to \$25.00 shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Such late charge, as and when levied, is secured by the Assessment Lien described in Article VI of the Declaration, and will be subject to recovery in the manner provided herein for assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any or late charges or any other charges in the future.

7. Collection Fees. In the event any assessment, or any portion thereof, is not paid in full by the Delinquency Date, collection fees in an amount up to \$20.00 shall be assessed against the Owner's account each month and every month until the assessment is paid in full. Collection fees are charges by the managing agent for the collection of delinquent accounts and may not be waived by the Board without the consent of the managing agent. Such collection fee, as and when levied, is secured by the Assessment Lien described in Article VI of the Declaration, and will be subject to recovery in the manner provided herein for assessments.

8. Handling Charges and Return Check Fees. In order to recoup for the Association the costs incurred because of the additional administrative expenses association with collecting delinquent assessments, collection of the following fees and charges are part of this Policy:

a. Any handling charges, administrative fees, collection costs, postage or other expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner.

b. A charge of \$25.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

c. Any fee or charge becoming due and payable pursuant to this Policy will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

9. Collection Agencies. In the event an account has not been paid in full following thirty (30) days from the date Delinquency Notice was mailed to the Owner, the Association's agent may refer the account to a collection agency for collection, including reporting delinquent account to any credit bureau or other agency providing credit histories to authorized entities. All costs incurred by the Association for using the services of a collection agency, or administering the a referral and handling of the account to a collection agency, are deemed costs of collection of the Association. Such costs of collection, when incurred by the Association and added to an Owner's account, are secured by the Assessment Lien described in Article VI of the Declaration, and will be subject to recovery in the manner provided herein for assessments.

10. Application of Funds Received. All monies received by the Association will be applied to the Owner's delinquency in the following order of priority:

- a. First, to any delinquent assessment;
- b. Second, to any current assessment;
- c. Next, to any 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;
- d. Next, to any attorney's fees incurred by the Association that are not subject to Subsection 10 (c) above;
- e. Next, to any fines assessed by the Association; and
- f. Last, to any other amount owed to the Association.

If the Owner is in default under a payment plan entered into with the Association at the time the Association receives a payment from the Owner, the Association is not required to apply the payment in the order of priority specified herein, except that a fine assessed by the Association may not be given priority over any other amount owed to the Association.

11. Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner or 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.

12. 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 interest 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.

13. Remedies and Legal Actions. If an Owner fails to cure the delinquency within the thirty (30) day period stated in the Delinquency Notice (as provided for above), the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein.

Upon direction of the Board or the Association's agent, legal counsel for the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it including, but not limited to, the following:

a. Notice Letter. As the initial correspondence to a delinquent Owner, counsel will send a notice letter (the "Notice Letter") to the Owner advising the Owner of the Association's claim for all outstanding assessments and related charges, adding to the charges the attorney's fees and costs incurred for counsel's services.

b. Notice of Lien. If an Owner fails to cure the delinquency indicated in the Notice Letter, upon being requested to do so by the Board and/or Management, counsel may prepare and record in the Official Public Records of Dallas County, a written notice of assessment lien (referred to as the "Notice of Lien") against the Lot. A copy of the Notice of Lien will be sent to the Owner, together with an additional demand for payment in full of all amounts then outstanding.

c. Foreclosure. In the event that the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

1. 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, counsel may commence expedited foreclosure lawsuit under Rules 735 and 736 of the Texas Rules of Civil Procedure ("Expedited Foreclosure"). Upon receipt from the Court of an order authorizing foreclosure of the Lot, counsel may post the Lot at the Dallas County Courthouse for a foreclosure sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or

otherwise deal with the same. The Association may institute, a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its assessment lien.

ii. Judicial Foreclosure. The Association, may file suit for judicial foreclosure ("Judicial Foreclosure") of the assessment lien, which suit may also seek a personal money judgment. Upon receipt from the Court of an order foreclosing the Association's assessment lien against the Lot, the sheriff or constable may post the Lot for sheriff's sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

d. Lienholder Notification. In pursuing Expedited Foreclosure or Judicial Foreclosure, the Association shall provide the 61-day notice letter to inferior lienholders pursuant to Section 209.0091 of the Texas Property Code.

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

f. Bankruptcy. Upon notification of a petition in bankruptcy, the Association may refer the account to legal counsel.

g. Remedies Not Exclusive. All rights and remedies provided in this Policy and herein above 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.

14. Compromise. In order to expedite the resolution of a delinquent account, the Board may, at any time, compromise or waive the payment of interest, late charges, handling charges, collection costs other than collection fees, unless approved by the managing agent, legal fees or any other application charge.

15. 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 any prior policy with respect to the collection of assessments filed by or on behalf of the Association, is effective upon its filing with the Office of the Dallas County Clerk, and shall remain in full force and effect until revoked, modified or amended by the Board of Directors.

This is to certify that the foregoing Policy was adopted by the Board of Directors at a meeting held on the 16th day of June, 2016, and shall remain in full force and effect until modified, rescinded or revoked by the Board of Directors.

**WISDOM CREEK HOMEOWNERS
ASSOCIATION, INC.**

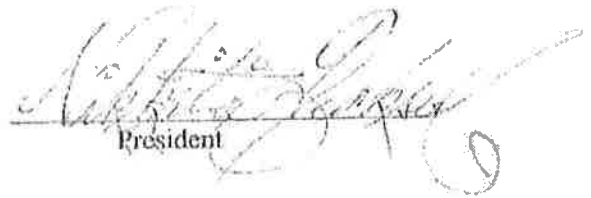

President

EXHIBIT A-2

WISDOM CREEK HOMEOWNERS ASSOCIATION, INC.

PAYMENT PLAN POLICY

WHEREAS, the Board of Directors for Wisdom Creek Homeowners Association, Inc. (the "*Board*") is empowered to govern the affairs of the Wisdom Creek Homeowners Association, Inc. ("*Association*") pursuant to the Declaration of Covenants, Conditions and Restrictions ("*Declaration*"); and

WHEREAS, there is a need to adopt a specific policy on collections, payment of assessments, and other charges and fees; and

WHEREAS, it is the intent that this Policy shall be applicable to all Owners, and shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Board;

NOW THEREFORE, BE IT RESOLVED THAT the following policy on payment plans is hereby adopted by the Board:

PAYMENT PLAN POLICY

The Board authorizes management to enter into payment plans with homeowners in accordance with the terms and conditions of this Policy. The Owner may, upon written request and subject to the terms hereof, request to establish a payment plan for the purpose of resolving a delinquent account.

- 1) The Association will allow payment plans for repayment of delinquent amounts with a minimum of three (3) months' duration and a maximum of eighteen (18) months' duration. Any deviation from this schedule will require approval from the Board or its designated representative for handling payment plans which may be a board member or management.
- 2) Assessments that become due and are added to the Owner's account during the term of the payment plan must be paid when due in addition to repayment of delinquent amounts or must be addressed in the payment plan.
- 3) The Association will charge a \$35.00 fee to negotiate, establish and initiate a payment plan for the Owners' delinquent balance.
- 4) The plan must include the total debt owed to the Association, including late fees, interest, fines, attorneys' fees, and other collection costs.
- 5) There shall be no waiver of any charges on the Owner's account unless the Owner submits a request for consideration of a partial waiver and it is approved by the Board or its delegate.
- 6) To be eligible for a payment plan, the Owner must not have defaulted on a prior payment plan within the two (2) year period preceding the request for a payment plan.
- 7) The payment plan must contain a schedule setting forth the date that each payment will be made and the exact amount of each payment to be made.
- 8) Payment plans approved after the account has been turned over to the Association's

attorney for collection may require payment in certified funds.

- 9) Payment plans approved after notice has been given to an Owner that the property is in foreclosure must include a minimum amount established by the Board or its delegate in the individual payment plan request, and the initial payment must be received on or before the deadline established by the Association's attorney.

Settlements:

The Board will consider offers to settle an account once the Owner is at the foreclosure stage. Settlements must be paid in certified funds and are subject to the deadlines established by the Association's attorney.

Default:

The Board hereby establishes criteria for determining what constitutes "default" on payment plans.

"Default" may include one or all of the following:

- 1) Failure of an Owner to make a payment by the proposed date in accordance with the approved payment plan.
- 2) Failure of an Owner to make the full amount of a payment as stated in the approved payment plan.
- 3) Failure of an Owner to make a timely payment of any additional assessments that come due during the term of the payment plan.

Should the Owner default on a payment plan:

- 1) The Board or its delegate, at their sole discretion, can declare the outstanding balance due and payable immediately in certified funds.
- 2) The Board or its delegate may terminate the payment plan and proceed with appropriate collection measures in order to secure payment of amounts due to the Association.

This Policy was duly introduced, seconded and was thereafter adopted at a regular scheduled meeting of the Board of Directors, at which a quorum was present, by a majority vote of the members of the Board of Directors present.

IT IS FURTHER RESOLVED that this Policy is effective on the date it is filed of record with the Office of the Dallas County Clerk, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. This Policy shall be filed of record in the Official Public Records of Dallas County, Texas.