

Woods of Lake Travis Homeowners Association Assessment Collection Policy

Revision 1.1

1. Purpose

The purpose of this policy is to establish a consistent process for the collection of assessments and charges as outlined in the Woods of Lake Travis Homeowners Association Second Restated Declaration of Covenants, Conditions, and Restrictions and in compliance with Texas Property Code Section 209. A tabular summary of this policy may be found on page 7 of this document.

2. Definitions

- a. "Owner" – Property owner in the Woods of Lake Travis.
- b. "Association" – The Woods of Lake Travis Homeowners Association.
- c. "Assessment" – Annual or special fees to Owners to collect operating funds for the Association.
- d. "Invoice Date" – Date the Assessment invoice is issued.
- e. "Due Date" – Date listed on the Assessment invoice indicating when payment is due.
- f. "Original Payment Period" – Difference between the Due Date and the Invoice Date = 30 days.
- g. "First Notice" – Initial communication to an Owner indicating their Assessment has not been paid within the Original Payment Period.
- h. "First Notice Period" – Maximum timeframe after the Due Date for notifying a tardy Owner that their Assessment payment has not been received = 15 days.
- i. "Tardy Fee" – Fee levied when Assessment has not been paid after the First Notice Period beyond the Due Date = \$25.
- j. "Delinquency Avoidance Period" – Timeframe after the Due Date when an Owner's unpaid account is considered delinquent = 30 days.
- k. "Second Notice" – Notice sent when the Assessment has not been paid within the Delinquency Avoidance Period.
- l. "Second Notice Fee" – Fee levied when an Assessment has not been paid within Delinquent Period after the Due Date = \$35.
- m. "Payment Plan" – An installment plan for paying the Assessment in regular intervals specified by the Board.
- n. "Second Notice Period" – Timeframe after the Second Notice for an Owner to pay the Assessment and all fees or request a Payment Plan = 45 days.
- o. "Third Notice" – Notice sent when the Assessment has not been paid within the Second Notice Period.
- p. "Third Notice Period" – Timeframe after the Third Notice for Owner to pay the Assessment and all fees to avoid the Association filing a lien = 30 days.
- q. "Third Notice Fee" – Fee charged an Owner by the Association for preparations to file a lien for unpaid Assessment charges = \$100 + attorney's fees to be determined at the time.

- r. "Fourth Notice" – Notice sent to an Owner when all Assessment charges and fees have not be satisfied during the Third Notice Period and the Association enacts a lien.
- s. "Fourth Notice Fee" – Fee charged to an Owner for the Association to file a lien = attorney's fees to be determined at the time.
- t. "Initial Payment Period" – Timeframe after receiving a Payment Plan for an Owner to make the first Payment Plan payment = 15 days.

3. Assessments

Assessments are the fees levied by the Association on Owners to cover the costs of maintenance, operations, and management of the community. Annual Assessments are due on the first day of the fiscal year or other date as specified by the invoice or an additional communication by the Board. From time to time, the Board may levy special Assessments. The statement for a special Assessment will stipulate the due date.

4. Billing and Payment

Owners will receive an invoice at the time of the Assessment through U.S. mail indicating the amount due and payment options. Owners will be given the Original Payment Period to pay their Assessment. Owners have the right to request a Payment Plan during the Original Payment Period.

5. Late Payments

- a. Payments not received within the Original Payment Period will incur a Tardy Fee.
- b. Owners will be notified via written notice within the First Notice Period after the Due Date if their payment has not been received by the Association.

6. Delinquency Process

- a. If the Assessment is not paid within the Delinquency Avoidance Period after the Due Date, the Owner's account will be considered delinquent.
- b. Delinquent accounts will receive a Second Notice via certified mail informing the outstanding balance and possible actions. An additional fee in the amount of the Second Notice Fee will be charged.
- c. If the account remains unpaid for the Second Notice Period beyond the Second Notice and the Owner has not requested a Payment Plan, the Association may initiate collection procedures as permitted by law, which may include:
 - i. Sending a notice of intent to file a lien.
 - ii. Filing a lien against the property in accordance with Texas law.
 - iii. Referring the account to a collection agency or attorney for further action.

7. Payment Plans

Standard Payment Plans. The terms and conditions for a Standard Payment Plan are:

- a. Term. Standard Payment Plans are for a term of 6 months.

- b. Payments. Payments must be made at least monthly and will be roughly equal in amount or have a larger initial payment. Small initial payments with a large balloon payment at the end of the term are not allowed. Payments must be received by the Association at the designated address by the required dates and may not be rejected, returned or denied by the Owner's bank for any reason (e.g., check returned for insufficient funds).
- c. Assessments and other amounts coming due during plan. The Owner will keep current on all additional Assessments and other charges posted to the Owner's account during the term of the Payment Plan.
- d. Additional charges. The Owner is responsible for reasonable charges related to negotiating, preparing and administering the Payment Plan, and for interest at the highest rate allowed by Texas law, all of which shall be included in calculating the total amount due under the plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the Owner is complying with all terms of a Payment Plan.
- e. Contact information. The Owner will provide relevant contact information and keep same updated.
- f. Additional conditions. The Owner will comply with such additional conditions under the plan as the Board may establish.
- g. Default. The Owner will be in default under the plan if the Owner fails to comply with any requirements of these rules or the Payment Plan agreement.

Eligibility for a Payment Plan.

- a. Standard Payment Plans. An Owner is eligible for a Standard Payment Plan only if:
 - i. The Owner has no prior outstanding account balance and has not defaulted under a prior Payment Plan with the Association in the prior 24-month period;
 - ii. The Owner requests a Payment Plan no later than the Second Notice Period after the Association sends the Second Notice to the Owner via certified mail, return receipt (notifying the Owner of the amount due, providing Second Notice Period for payment, and describing the options for curing the delinquency). Owner is responsible for confirming that the Association has received the Owner's request for a Payment Plan within this Second Notice period. It is recommended that requests be in writing; and
 - iii. The Association receives the executed Standard Payment Plan and the first payment within the Initial Payment Period of the Standard Payment Plan being sent or hand delivered to the Owner.
- b. Other Payment Plans. An Owner who is not eligible for a Standard Payment Plan may still request that the Board grant the Owner an alternate Payment Plan. Any such request must be directed to the person or entity currently handling the collection of the debt (i.e., the property manager, WOLT Treasurer, or Association's attorney). The decision to grant or deny an alternate Payment Plan, and the terms and conditions for any such plan, will be at the sole discretion of the Board.

- c. Accounts sent to an Attorney/Agent for Formal Collections. An Owner does not have the right to a Standard Payment Plan after the Second Notice Period timeframe associated with the Second Notice. The decision to grant or deny the Owner an alternate Payment Plan, and the terms and conditions of any such plan, is solely at the discretion of the Board.
- d. Default. If the Owner defaults under any Payment Plan, the Association may proceed with any collection activity authorized under the governing documents or state law without further notice. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. All late fees, collection fees, and other charges that otherwise would have been posted to the Owner's account may also be assessed to the Owner's account in the event of a default.
- e. Board Discretion. The Board may vary the obligations imposed on Owners under these rules on a case-by-case basis, including curtailing or lengthening the Payment Plan terms, as it may deem appropriate and reasonable. The 6-month term length set forth under Terms shall be the default term length absent Board action setting a different term length. No such action shall be construed as a general abandonment or waiver of these rules, nor vest rights in any other Owner to receive a Payment Plan at variance with the requirements set forth in these rules.
- f. Legal Compliance. These Payment Plan rules are intended to comply with the relevant requirements established under Texas Property Code Section 209. In case of ambiguity, uncertainty, or conflict, these rules shall be interpreted in a manner consistent with all such legal requirements.

8. Liens

- a. The Association has the right to place a lien on the property for any unpaid assessment. The lien may be enforced in accordance with the provisions of the Texas Property Code Section 209.
- b. If after the Second Notice Period beyond the Second Delinquency Notice there is still an outstanding balance, a Third Notice will be sent notifying the Owner that failure to pay within the Third Notice Period will result in a lien being filed on their property. There will be a Third Notice Fee associated with this letter to cover all filing fees as well as the attorney and administrative costs for preparing the lien.
- c. If an outstanding balance still exists after the Third Notice Period, the account will be sent to collection and a Fourth Notice will be sent to the Owner indicating the Association will file the lien. All future communication regarding the Owner's account must go through the collection agent's office. There will be a Fourth Notice Fee to the Owner for filing the lien. The owner will also be responsible for any collection fees charged by the Association's collection agent.

9. Foreclosure

In accordance with Texas Property Code Section 209, the Association may institute a

foreclosure action on a property with an outstanding lien, following the necessary legal procedures.

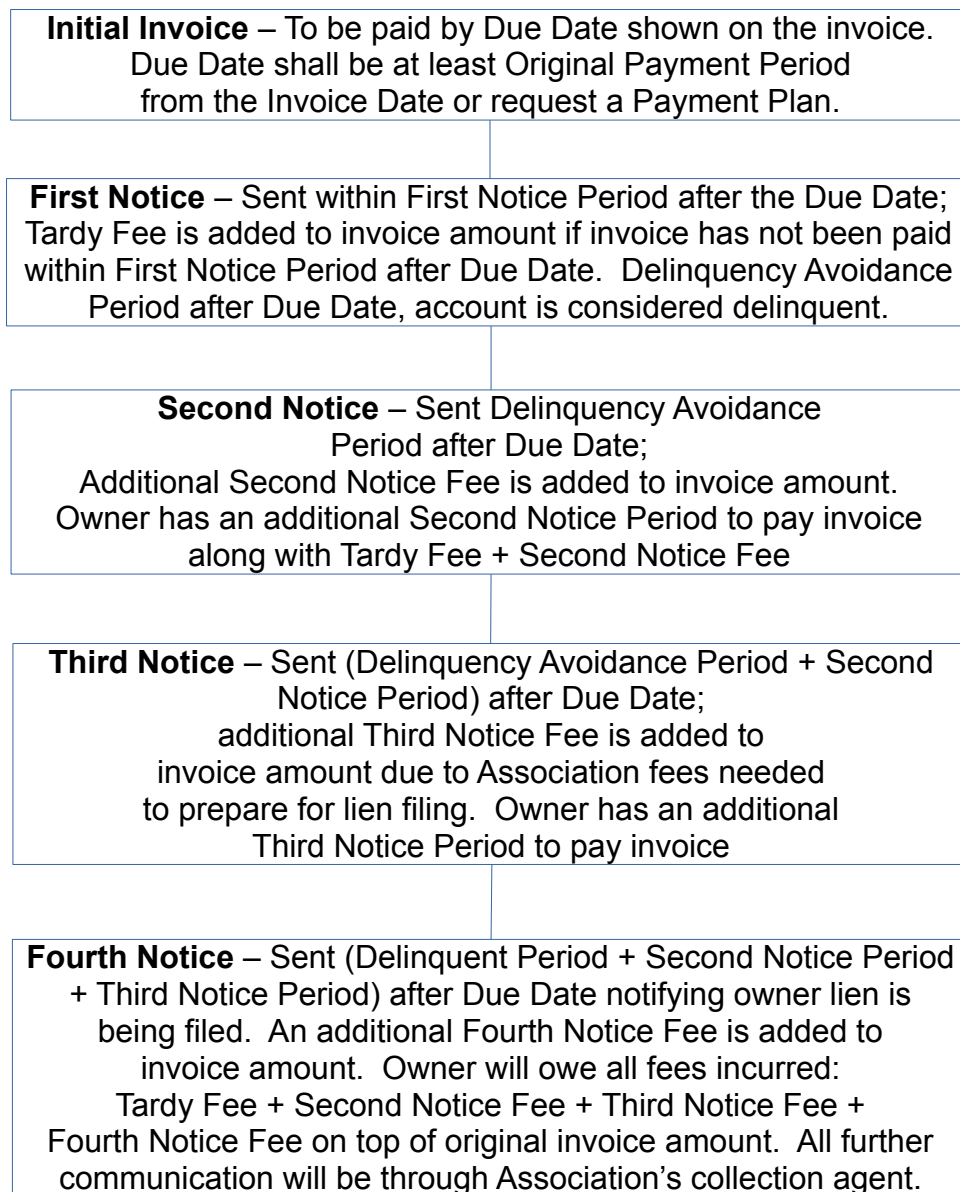


Figure 1 – Flow diagram of escalating delinquency and collection process. Note: The additional fees in this policy may be updated at Board discretion without prior notice to the member Owners of the Association.

10. Rights of Owners

Owners have the right to challenge any issues related to Assessments and to dispute charges as permitted by the governing documents and Texas law. Requests for review must be submitted to the board in writing.

11. Amendments

This policy may be amended by the Board as necessary to comply with changes in the law or to improve the Assessment collection process.

12. Effective Date

This policy shall become effective as of August 15, 2025.

Board of Directors, The Woods of Lake Travis

President: Mark Schultz

Vice President: Alexander Barr

Treasurer: Todd Satterfield

Revisions:

1.0: Initial release approved at Special Board of Directors meeting on June 9, 2025.

1.1: Correction of some typographical errors and remove references to RowCal.

Woods of Lake Travis Assessment Collection Summary

	Description	Incremental Days	Incremental Days Comment	Cumulative Days From Invoice	Fee	Fee Comment	Cumulative Fees
Original Payment Cycle	Invoice Date						
	Due Date	30	After Invoice Date	30			
First Notice Cycle	First Notice (Tardy)	15	After Due Date	45	\$25.00	1 st WOLT Late Charge	\$25.00
	First Notice Fee	15	After Due Date	45			
	Delinquency Avoidance Period	30	After Due Date	60			
	Second Notice (Delinquent)	30	After Due Date	60			
Second Notice Cycle	Second Notice Fee	30	After Due Date	60	\$35.00	2 nd WOLT Late Charge	\$60.00
	Second Notice Period	45	After Second Notice	105			
	Third Notice (Lien Notice)	45	After Second Notice	105			
Third Notice Cycle	Third Notice Fee	45	After Second Notice	105	\$100 + Attorney Lien Prep. Fees	3 rd WOLT Late Charge + Attorney Charges	\$160 + Lien Prep. Fees
	Third Notice Period	30	After Third Notice	135			
	Fourth Notice (Lien Filed; Collections)	30	After Third Notice	135			
Fourth Notice Cycle	Fourth Notice Fee	30	After Third Notice	135	Attorney Filing Fee	4 th WOLT Late Charge = Attorney Charges	\$160 + Lien Prep & Filing Fees
	Fourth Notice Period	0	After Fourth Notice	Until Paid			