

# STONEBRIDGE RANCH COMMUNITY ASSOCIATION, INC.

## POLICY COLLECTIONS

Revision 1

09/28/2023

### I. PURPOSE

- A. The Board desires to adopt a Collection Policy consistent with the Dedicatory Instruments of the Association and state law.
- B. The Board enforces the provisions of the Declaration applicable to the Property to address the collection and processing of assessments and other charges due and owing to the Association.

### II. REFERENCES

- A. SECOND AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STONEBRIDGE RANCH
  - 1. Section 4.6 - User Fees and Charges. The Board may levy and collect charges and fees for the operation and maintenance of the Common Properties and services which the Board determines to be necessary for the advancement, benefit and welfare of the Owners and Residents.

### III. DEFINITIONS

- A. Assessment - Collectively, the Annual Assessment, Special Group Assessment, Special Individual Assessment, Individual Assessment and Village Assessment, as provided for in the Declaration.
- B. Declaration - Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Stonebridge Ranch recorded in the Official Public Records of Real Property of Collin County, Texas, and all amendments and supplements thereto.
- C. Dedicatory Instruments - Each document governing the establishment, maintenance, or operation of the properties within the Subdivision, as more particularly defined in Section 202.001(1) of the Texas Property Code.

### IV. PROCEDURE

- A. Due Date. Each Annual Assessment is due and payable in advance on January 1st of each calendar year, unless otherwise provided by the Board. Each Special Group Assessment is due and payable in advance of the date provided in the notice of Special Group Assessment, which will be given at least sixty (60) days prior to the due date. The due date for a Special Individual Assessment or Individual Assessment will be established at the time provided by the Board in accordance with the Texas Property Code.
- B. Interest. If an Assessment is not paid within thirty (30) days of the due date, the Assessment may bear interest at a rate per annum determined by the Board from the date originally due until paid.
- C. Late Charge. If any Assessment, charge, or fine or any part is not paid by the due date as provided herein, the Association shall have the right, in its sole and absolute discretion, to assess a late charge against the non-paying Owner to cover the additional

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administrative costs involved in handling the account and/ or to reflect any time-price differential Assessment schedule adopted by the Association.

- D. **Cost Recovery.** As provided in the Declaration, each Assessment, together with interest and/ or late charge, costs and reasonable attorney's fees is secured by a continuing lien upon each Lot and is the personal obligation of the Owner. All costs of collection, expenses, and fees charged to, or paid by, the Association collecting, or attempting to collect, Assessments will be assessed against the Lot and become the personal obligation of the Owner as and when incurred. Cost of collection may include, but are not limited to, charges imposed by the Association for sending collection notices/ letters, charges imposed by the Association's management company for sending collection notices/ letters, and attorney fees.
- E. **Delinquency Date.** The date an Assessment is deemed to be delinquent is the thirtieth (30th) day after the date the Assessment becomes due, unless otherwise provided in the Declaration.
  - 1. **Notices.** All notices sent to the Owner, as provided below, will set forth the amount then due.
  - 2. **Delinquent Notice(s).** The Association may, but is not required to, send one or more delinquent notices at a time to be determined by the Board before sending the Final Delinquent Notice described below.
  - 3. **Final Delinquent Notice.** The Association must, prior to referring a delinquent account to a collection agent (including the Association's attorney), send to the Owner a notice that complies with Section 209.0064 of the Texas Property Code. Additionally, if an Owner's right to use the Common Properties is to be suspended, the notice must include the provisions required by Section 209.006 of the Texas Property Code. The Association retains the right to send a letter that complies with Section 209.006 of the Texas Property Code as a separate notice.
- F. **Payment Plan and Partial Payments.** The Final Delinquent Notice will notify the Owner of the opportunity to request a payment plan per the Association's Payment Plan Policy recorded in the Official Public Records of Real Property of Collin County, Texas, if the Owner is eligible for a payment plan as provided in the Property Code. Partial payments made pursuant to a payment plan agreement are posted in accordance with Section 209.0063 of the Texas Property Code.
- G. **Dishonored Checks or Account Not Found.** Checks dishonored by the bank (e.g., NSF checks) may, but are not required to, be re-deposited by the Association. Whether or not a dishonored check is re-deposited, a dishonored check or electronic funds transfer (ACH) may incur a dishonored payment processing fee. A dishonored check notice may but is not required to, be sent to the Owner requesting payment in full by cashier's check or money order. In the event a dishonored check notice is sent and the amount due is not paid in full within ten (10) days of the mailing of the dishonored check notice, the Association may initiate or continue collection activity.
- H. **Owner's Mailing Address.** It is the responsibility of each Owner of a Lot in the Subdivision to provide the Owner's mailing address to the Association and to promptly notify the Association in the event the Owner's mailing address changes. In order to be effective,

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notice of the Owner's mailing address or a change of the Owner's mailing address must be mailed to the Association by any method of mailing for which evidence of receipt of such mailing by the Association is provided by the United States Postal Service or a common carrier. It is Owner's responsibility to maintain evidence of receipt by the Association of Owner's notice of address change.

1. The Association may, at its discretion, accept a notification of a change in an Owner's mailing address sent by regular mail; however, an Owner that disputes the mailing address listed in the Association's records must be able to prove that the Owner sent an address change notification by providing evidence of receipt by the Association of Owner's notice of address change. Unless the Association is otherwise notified in writing, the Owner's mailing address is deemed to be the address of the Owner's Lot in the Subdivision, or the last alternative mailing address provided to the Association by the Owner in writing. All notices to an Owner pursuant to this Policy must be mailed to the Owner at the Owner's last known mailing address. If mail to an Owner is returned undelivered, or the Association otherwise reasonably determines that the last known mailing address of the Owner may not be valid, the Association has the right, but not the obligation, to conduct a title search or other searches for the purpose of attempting to either verify the Owner's current mailing address or obtain the Owner's current mailing address.
  2. Any costs incurred by the Association to verify an Owner's current mailing address or obtain an Owner's current mailing address will be, to the extent permissible under the Association's Dedicatory Instruments and state law, charged to the Owner. The failure of an Owner to receive a notice(s) or to properly notify the Association of a change in an Owner's mailing address in no way waives or negates the Owner's obligation to comply with the Association's Dedicatory Instruments. Under no circumstances will the submission of a check by an Owner to the Association which includes an address that is different than the mailing address previously provided by the Owner to the Association constitute notice of a change of the Owner's mailing address.
- I. Referral of Account to Association's Attorney. Upon referral of the account to the Association's attorney, the attorney is authorized to take whatever action is necessary to collect the amount due including, but not limited to, sending demand letters, negotiating payment plans, filing a lawsuit against the Owner for a money judgment and/ or a judicial foreclosure, instituting an expedited foreclosure action if authorized by the Declaration and/or state law, foreclosing the Association's lien on the Lot and, in the event an Owner files bankruptcy, filing necessary claims, objections and motions in the bankruptcy court and monitoring the bankruptcy case in order to protect the Association's interests.
  - J. Required Action. No provision in this policy will be construed to require the Association to take any of the actions included herein. The Board has at all times, the right to evaluate each delinquency on a case-by-case basis and proceed with collection activity as it reasonably deems to be necessary and appropriate, subject to requirements imposed by lien.

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**V. REVISION HISTORY**

<b>REVISION</b>	<b>DATE</b>	<b>CHANGES</b>
0	09/22/2016	Original
0	09/28/2017	Board of Directors reviewed and made no changes.
0	09/27/2018	Board of Directors reviewed and made no changes.
0	09/19/2019	Board of Directors reviewed and made no changes.
0	09/24/2020	Board of Directors reviewed and made no changes.
0	09/23/2021	Formatted to follow all other SRCA Policies. Board of Directors reviewed and made no content changes.
1	09/28/2023	Rescind Collection Policy Files by Robert Markell 01/24/2017 and replace with this Collections Policy

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IT IS FURTHER RESOLVED that this Collections Policy (Revised September 2023) replaces and supersedes in all respects all prior versions of this document as of the date of recording, and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing policy was adopted by the Stonebridge Ranch Community Association, Inc., Board of Directors at a meeting held on September 28, 2023, and has not been modified, rescinded, or revoked.

Date: 10-17-23

Signature: 