

ROSEDALE COMMUNITY ASSOCIATION, INC.
RULES, REGULATIONS AND POLICIES
REGARDING COLLECTIONS AND FINES

GENERAL

Rosedale Community ("the Association") is a Townhome Regime established by a Declaration of Covenants and Restrictions/Condominium Declaration filed of record in the Real Property Records of Harris County, Texas. These Rules, Regulations and Policies are made and adopted pursuant to the authority granted by the Declaration and the By-Laws, and pursuant to the authority granted to the Board of Directors/Managers by the Texas Property Code. For the purpose of these Rules, Regulations and Policies, the term Owner shall include individual owners and co-owners of a Home/Unit within Rosedale Community.

The following Rules, Regulations and Policies are effective May 5, 2008, and are applicable to Owners, tenants, families, and guest. All Owners are responsible for the instruction and supervision of their families, tenants, and/or guests as to the provisions of all of the Rules, Regulations and Policies, the Bylaws, and the Declaration, and Owners must provide a copy of these documents to their tenant(s).

COLLECTIONS POLICY

1. All maintenance assessments and related charges are due in full on the first (1st) day of January.
2. All assessments and related charges are late if not paid by 5 p.m. on the thirty-first (31st) day of January.
3. Any assessments and related charges remaining unpaid on an Owner's account at 5 p.m. on the fifteenth (15th) day of February the following month shall be subject to a collection charge of \$25.00. On March 15th of the next month, a collection fee of \$300.00 will be assess and every month there after.
4. If there is any account balance due on an assessment account for any Unit after the fifteenth (15th) day of any month, the managing agent may send a notice advising the Owner that the assessment is late and it must be paid within thirty (30) days. In such event, the managing agent will inform the Owner of the Owner's right to dispute the amount shown to be due before the Board, if a written request to do so is received within thirty (30) days of receipt of the letter. The letter will also inform the Owner that after 45 days (giving a date certain), if the account remains unpaid, it is subject to being turned over to the attorney for the Association to begin formal collection activities.

5. Any assessment remaining unpaid for (60) days, or any account accruing fifteen hundred dollars (\$1500.00) or more in assessments, late charges, collection charges, and/or interest will be turned over to the Association's attorney for collection.
6. All attorney fees, court costs, and other related charges of collection incurred by either the management company or the Association's attorney will be charged to the delinquent Owner's account. All such charges will be added to the amount of the assessments and collected as if they were assessments.
7. Once turned over to the Association's attorney, the attorney will be authorized to send a demand letter demanding payment for the account, plus the attorney's fees for such demand letter, within thirty (30) days of such letter.
8. If the Owner does not pay the account in full within the time required by the attorney's initial demand letter, the attorney is authorized to send a second letter demanding payment in full, plus the attorney's additional fees for the second demand letter, within ten (10) days, and if not so paid, a lawsuit may be filed against the Owner to collect all monies due and to seek foreclosure on the Owner's property.
9. If the assessments are not paid in full in accordance with the above demands, the attorney is authorized to file a lawsuit seeking the monies due, in addition to all assessments, late fees, attorney fees, court costs and interest which come due during the pendency of the lawsuit, and to seek an Order allowing the foreclosure of the Owner's Unit.
10. If a judgment is taken against the Owner, and arrangements have not been made by the Owner to pay the account by the foreclosure day noticed in the posting notice, the property may be foreclosed and sold at foreclosure sale. The association may bid in at such sale by and through its attorney.
11. The Board President, Treasurer, and the property manager are authorized to appoint the Association's attorney(s) as Trustee/Substitute Trustee to notice and hold the sale.
12. After foreclosure, the lender holding the first lien on the property, and the owner will be notified of the Association's action, at the last known addresses on file with the Association or any other address located by the Association's attorney.
13. If after foreclosure, an Owner or his tenant continues to occupy the unit, a forcible detainer case will be filed seeking possession.

14. The Association's attorney may be authorized to file a deficiency suit against the Owner whose unit has been foreclosed, but who still owe a balance of assessments to the Association.
15. At all times during the collection process, the Association's attorney is authorized to enter into reasonable payment arrangements with Owners in an attempt to collect the obligation owed to the Association, and may charge a fee for an agreement reflecting the payment arrangement. In the absence of a reasonable payment schedule, or full payment of the assessment account, the Association's attorney is authorized to complete the entire collection process without necessity of further instruction or authorization.
16. At all stages of collection, payments made by Co-Owners will be applied to the collection costs first, then to the oldest balance on the Owner's account. The "balance" shall include, without differentiation, maintenance assessments, late charges, interest, attorney fees, maintenance charge-backs, fines, penalties, insurance, and insurance deductibles.
17. **The failure of the Association or its Agent to send any notice or demand when any Association assessment may be due, or an assessment plus interest and penalties is due, shall not be considered a waiver of any rights of the Association to be paid all amounts due in accordance with this policy.**

FINES POLICY

Fines may be imposed against Unit Co-Owner(s) or any infraction of the Declaration, By-Laws, or these Rules, Regulations and Policies by Owners, occupants or their guests. This policy will become effective May 5, 2008. The fine structure will be as follows:

First Offense Ten (10) Day Warning Notice (except where stated otherwise in these Rules, Regulations and Policies).

Second Offence \$25.00 fine

Third Offense \$50.00 fine

If an Owner receives warning or fine, the Owner will have the right to request a meeting with the Board, in writing, within thirty days of your receipt of the warning or fine. In addition, after the first warning, if the matter is not cured or reoccurs, the Board may refer the matter to the Association's attorney without further warning. In the event of fineable act or omission which threatens the health, safety or welfare of other residents or guest, the matter may be turned over to the Association's attorney without sending a warning. If the matter is referred to the Association's attorney, the Owner will be responsible for payment of all legal fees incurred.

If the offense reoccurs or continues after the third notice, the Association will continue to assess a \$100.00 fine every month the violation exists, or each time it reoccurs until abated, and the Board may refer the matter to the Association's attorney. All fees, including all attorney's fees incurred by the Association in enforcing the governing documents and these Rules, Regulations and Polices, will be charged to the Owner of the property at which the violation occurred, and will be added to the Owner's account balance.

The Fine Policy conditions are as follows:

1. No one will be fined without the Association first sending a ten (10) day warning notice to the Owner (if known). (DOES NOT APPLY TO VANDALISM, GRAFFITI, FIREWORKS, GATE DAMAGE, POOL AREA DAMAGE, AND ITEMS NECESSITATING IMMEDIATE INTERVENTION, WHICH MAY BE SUBJECT TO IMMEDIATE FINES OR REFERRAL TO LEGAL COUNSEL).
2. Anyone who is fined will be given a reasonable opportunity to respond to the charge.
3. To dispute a fine, the Owner must request in writing a meeting with the Board postmarked no later than (30) days from the date of the letter imposing the fine, setting forth the specific nature of the Owner's dispute.
4. Notification will be sent to the writer of the letter informing him or her of the date of the Board meeting when the dispute will be discussed.

5. The Owner filing the dispute will be placed on the Board Meeting agenda and the Owner will be allowed a reasonable period of time to present his or her reasons why the fine should not be imposed or should be abated.
6. The Board 's decision after the hearing is final and any affirmed or non-appealed fine will be due and payable on the first of the next month after notification.
7. Should any offenses reoccur within twelve months after the first occurrence of a similar violation, no ten (10) day notice will be given, and the appropriate fine will be immediately imposed.
8. Any Owner who has more than two (2) violations within a sixty day period which are a result of the Owner's tenants, will be required to provide written proof of notices and action taken against any tenant(s) committing violations against the Association. The Association may request a meeting with the Owner, or take legal action to enforce the Declarations, By-Laws, or these Rules, Regulations and Policies.

Adopted by unanimous vote of the Board of Directors for Rosedale Community Association, Inc., at a meeting held on April 2, 2008.

Board of Directors
Rosedale Community Association, Inc.

By: *Charles Seabolt, President*
Charles Seabolt

Nasiya Ahmed, sec/treas
Nasiya Ahmed

Carla Martinez, vice president
Carla Martinez