

Michele Goldman
✓ 10702 SEA MIST
Magnolia, TX
77354

ASSESSMENT COLLECTION and PAYMENT PLAN POLICY
for
LAKE WINDCREST PROPERTY OWNERS' ASSOCIATION, INC.

1. Article VIII, Section 8.11, of the Declaration of Covenants, Conditions, and Restrictions for Lake Windcrest, Sections 1-5 (collectively "Declaration") authorizes the Association to enforce all covenants, conditions, and restrictions set forth in the Declaration.
2. Article VI, Section 6.01, of the Declaration of Covenants, Conditions, and Restrictions for Lake Windcrest, Sections 1-5 (collectively "Declaration") obligates each Owner of a Lot to pay the Association, in advance an annual maintenance charge on January 10th of each year, (the "Maintenance Charge"), and any other assessments or charges hereby levied. The Maintenance Charge (the "Assessment") and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, including reasonable attorneys' fees, shall be a charge on the Lots and shall be a continuing lien upon the property against which each such Assessment and other charges and assessments are made, subject to compliance with notice requirements imposed by law.
3. This Policy supersedes and replaces any previous Assessment Collection Policy or Payment Plan Policy adopted by the Association, including any such policies found in Lake Windcrest Property Owners' Association Policy and Procedures Manual recorded in Official Public Records of Real Property of Montgomery County, Texas, County Clerk's File No. 2013010582, and specifically Assessment Collection Policy, County Clerk's File No.2014124360.

Section 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1.1 Due Date** – An Owner will timely and fully pay in advance an annual Assessment on January 10th of each year, and any other assessments or charges levied.
- 1.2 Delinquent** – Any Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full – including collections costs, interest, and late fees.
- 1.3 Late Fees & Interest** – If the Association does not receive full payment of an Assessment within thirty (30) days after the Due Date (by 5 p.m. on February 9th), the Association may levy a late fee per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the Due Date therefore (or if there is no such highest rate, then at a rate of 1 and ½% per month) until paid in full.
- 1.4 Liability for Collection Costs** – The defaulting Owner is liable to the Association for the cost of title reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collection the delinquency.
- 1.5 Insufficient Funds** – The Association may levy a charge of \$25 for any check returned to the Association marked "not sufficient funds" or the equivalent.

- 1.6 Waiver** – Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board.

Section 2. PAYMENTS

- 2.1 Application of Payments** – After the Association notifies the Owner of a delinquency and the Owner’s liability for late fees and/or interest, and collection costs, any payment received by the Association shall be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligation arose:

- (1) Delinquent assessments
- (2) Current assessments
- (3) Attorney fees and cost associated with delinquent assessments
- (4) Other attorney’s fees
- (5) Fines
- (6) Any other amount

- 2.2 Payment Plan** – The Association shall offer a payment plan to a delinquent Owner in accordance with Section 5 herein for which the Owner may be charged reasonable administrative costs and interest.

- 2.3 Form of Payment** – The Association may require that payment of delinquent Assessments be made only in the form of check, cashier’s check, money order, online ACH, or online credit/debit card payment. Online payments will have applicable surcharges. Cash is not accepted.

Section 3. LIABILITY FOR COLLECTION COSTS

- 3.1 Collection Costs** – The defaulting Owner may be liable to the Association for the costs of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney’s fees incurred by the Association in the collection of the delinquency.

Section 4. COLLECTION PROCEDURES

- 4.1 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 the Association's managing agent, an attorney, or a debt collector.
- 4.2 Delinquency Notices** – If the Association does not receive full payment of an Assessment within thirty (30) days after the Due Date (by 5 p.m. on February 9th), the Association will send written notice of nonpayment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence will state that if full payment is not received within forty-five (45) days, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of

the defaulting Owner. The Owner is allowed these forty-five (45) days to pay or dispute the balance and includes a payment plan option for the Owner to resolve the outstanding balance.

- 4.3 Verification of Owner Information** – The Association may obtain a title report to determine the names of the Owners and the identity of other lien holders, including the mortgage company. The Owner will receive notification of this action and if payment is not received within thirty (30) days an assessment lien will be filed with the county and the associated cost charged to the Owner's account.
- 4.4 Notification of Mortgage Lender** – The Association will notify the mortgage lender of title default obligations.
- 4.5 Intent to Notify Credit Bureau** – The Association may report the defaulting Owner to one or more credit reporting services upon thirty (30) days prior notice via certified mail, hand delivery, electronic delivery or by other delivery means acceptable between the parties, along with a detailed report of all delinquent charges owed.
- 4.6 Notification of Credit Bureau** – Having received thirty (30) days' notice, if full payment has not been received, the Association may report the defaulting Owner to one or more credit reporting services. The Owner will receive notice that the account has being reported to the credit bureau and informed of the fee being charged by a third-party to the Owner.
- 4.7 Notice of Lien** – If the Association has not received full payment within the thirty (30) days since notice of the verification of owner information, the Management Company may cause a notice of the Association's Assessment lien against the Owner's property to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting Owner and may also be sent to the Owner's mortgagee.
- 4.8 Demand Letter** – If the Owner's account remains delinquent, the manager of the Association or the Board of the Association may refer the delinquent account to the Association's attorney for collection. Prior to referral of the account for collection, the Owner will receive a final demand letter allowing forty-five (45) days to pay or dispute the balance, including the ability to request a hearing with the board before collections turnover.
- 4.9 Collection by Attorney** – If the Owner's account remains delinquent, the manager of the Association or the Board of the Association shall refer the delinquent account to an attorney of the Board's choosing for collection. In the event an account is referred to an attorney, the Owner will be liable to the Association for its legal fees and expenses.
- 4.10 Cancellation of Debt** – If the Board deems the debt to be uncollectable, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.
- 4.11 Suspension of Use of Certain Facilities or Services** – The Board may suspend the use of the

Common Areas amenities by an Owner, or his tenant, whose account with the Association is delinquent for at least thirty (30) days.

Section 5. PAYMENT PLAN

- 5.1 Applicability** – This policy only applies to delinquent regular assessments, special assessment or other amounts owed the Association prior to the debt being turned over to a “collection agent” as that term is defined by Section 209.0064 of the Texas Property Code.
- 5.2 Term** – The term for a payment plan offered by the Association shall be a minimum of three (3) months and a maximum of eight (8) months. The Owner shall determine whether the payment plan shall be for the maximum term of eight (8) months or a shorter term.
- 5.3 Payment Plan Agreement** – The Owner shall be obligated to execute a payment plan agreement (“Payment Plan Agreement”) which sets forth the total amount to be paid, the term of the payment plan, the due date for and amount of each payment, and the address to which payments are to be mailed or delivered. A payment plan shall not be effective until the Owner executes the required Payment Plan Agreement.
- 5.4 Sums Included in Plan** – The payment plan shall include all delinquent regular and/or special assessments and other sums owed to the Association as of the effective date of the Payment Plan Agreement. The payment plan shall not include any assessments which have not become due and payable to the Association as of the effective date of the Payment Plan Agreement. The Payment Plan Agreement shall provide that any assessments or other valid charges that become due and payable to the Association per the dedicatory instruments of the Association during the term of the payment plan must be paid in a timely manner.
- 5.5 Grace Period** – There will be a grace period of three (3) business days from the due date for a payment. If a payment is not received at the address set forth in the Payment Plan Agreement by the close of business on the third (3rd) business day following the date on which the payment is due, the Owner shall be deemed to be in default of the Payment Plan Agreement.
- 5.6 Administrative Costs and Interest** – The Association shall add to the delinquent assessments and other amounts owed to the Association to be paid in accordance with the Payment Plan Agreement reasonable costs for administering the payment plan, as follows: for the preparation of the Payment Plan Agreement, a sum equal to \$5.00 times the number of installments included in the payment plan; and \$5.00 per installment of receiving, documenting, and processing each payment. During the term of the payment plan, interest at the rate provided in the Declaration or by law shall continue to accrue on delinquent assessments.
- 5.7 Monthly Penalties** – During the term of the payment plan, the Association shall not impose any monetary penalties with respect to the delinquent assessments and other charges included in

the payment plan, except as provided in Paragraph 5.6. Monetary penalties include late charges and fees otherwise charged by the management company and/or Association and added to the Owner's account as a result of the account being delinquent, if any.

- 5.8 Default** – If an Owner fails to make a payment to the Association by the end of the grace period applicable to the due date for that payment, the Owner shall be in default of the Payment Plan Agreement, at which point the Payment Plan Agreement shall automatically become void. The Association may notify the Owner that the Payment Plan Agreement is void as a result of the Owner's default but notice to the Owner shall not be a prerequisite for the Payment Plan Agreement to become void. If the Association received a payment after the expiration of the grace period and before the Association notifies the Owner that the Payment Plan Agreement is void, the Association may accept the payment and apply it to the Owner's account. The acceptance of a payment made by an Owner after the Payment Plan Agreement has become void shall not reinstate the Payment Plan Agreement.
- 5.9 Owners Not Eligible for a Payment Plan** – The Association is not required to enter into a payment plan with an Owner who failed to honor the terms of a previous payment plan during the two (2) years following the Owner's default under the previous payment plan.

Section 6. GENERAL PROVISIONS

- 6.1 Independent Judgment** – Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association may exercise their independent, collective, and respective judgment in applying this policy.
- 6.2 Other Rights** – This policy is in addition to and does not detract from the rights of the Association to collect Assessments under the Association's Restrictions and the laws of the State of Texas.
- 6.3 Limitations of Interest** – The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Restrictions or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever received, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Assessments, or reimbursed to the Owner if those Assessment are paid in full.
- 6.4 Notices** – Unless the Restrictions, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or on personal delivery to the Owner. If the Association's records show that an Owner's property is owned by two (2)

or more persons, notice to one (1) co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.

6.5 Amendment of Policy – This policy may be amended from time to time by the Board.

CERTIFICATION

I, the undersigned, hereby certify that I am duly qualified and acting Secretary of Lake Windcrest Property Owners' Association, and that the foregoing Assessment Collection and Payment Plan Policy was approved by a majority vote of the Board of Directors at an open meeting, properly noticed, on the 30th day of August, 2022, as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Montgomery County, Texas

LAKE WINDCREST PROPERTY OWNERS' ASSOCIATION

By: Suzanne Callison, Secretary

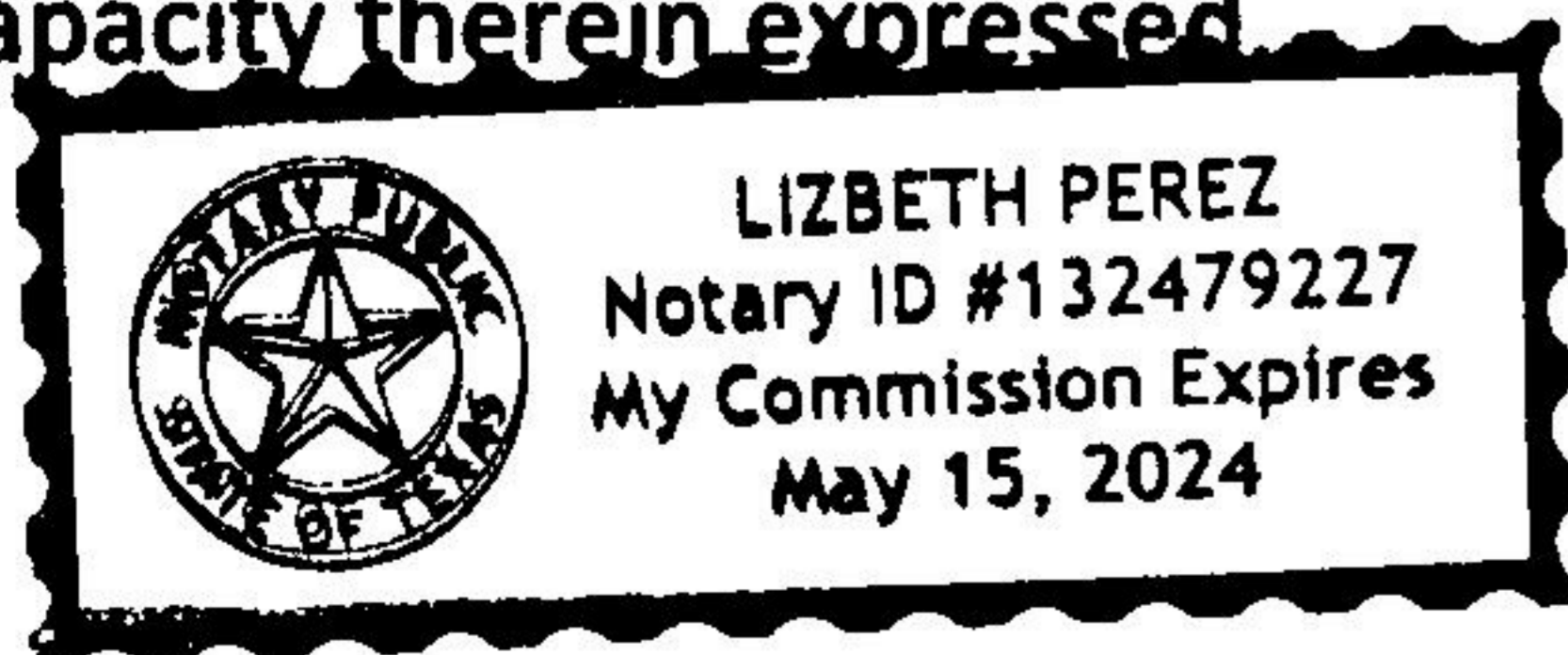
Print name: Suzanne Callison

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF MONTGOMERY

BEFORE ME, the undersigned notary public, on this 1 day of SEPTEMBER, 2022 personally appeared SUZANNE HARMAN CALLISON, as Secretary of the Lake Windcrest Property Owners' Association, and 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 purpose and in the capacity therein expressed.



Lizbeth Perez
Notary Public, State of Texas

FILED FOR RECORD
09/01/2022 12:49PM



COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,
COUNTY OF MONTGOMERY

I hereby certify that this instrument was filed in the file number
sequence on the date and time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

09/01/2022



County Clerk
Montgomery County, Texas