

**SPRING CREEK FOREST CIVIC ASSOCIATION
COLLECTION POLICY AND PAYMENT PLAN GUIDELINES**

STATE OF TEXAS

COUNTY OF HARRIS

WHEREAS, the property encumbered by these Collection Policy and Payment Plan Guidelines (Guidelines) is that property included in the Spring Creek Forest subdivision, a subdivision located in Harris County, Texas and consisting of several sections, the first of which was recorded under Harris County Clerk's File No. U144951, and any other sections which have been or may be made subject to the authority of the Spring Creek Forest Civic Association (Association); and

WHEREAS, pursuant to Chapter 209 of the Texas Property Code, the Board of Directors (Board) of the Association hereby adopts these Guidelines for the purposes of establishing a uniform and systematic procedure to collect assessments and other charges of the Association and identify the guidelines under which owners may request an alternative payment schedule for certain assessments; and

WHEREAS, the Board has determined that it is in the best interest of the Association to establish these Guidelines.

NOW, THEREFORE, BE IT RESOLVED THAT the Association does hereby adopt this Collection Policy and Payment Plan Guidelines, which shall run with the land and be binding on all owners and lots within the subdivision. These Guidelines replace any previously recorded or implemented guidelines that address the subjects contained herein.

I. COLLECTION POLICY

1. ASSESSMENT PERIOD

The Board has the duty of establishing and adopting an annual budget, in advance, for each fiscal year of the Association covering the estimated costs of operation of the Association during each calendar year.

2. NOTICE

The Board shall fix the amount of the annual assessment against each lot for the following year and shall, at that time, prepare a roster of the lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner. Upon completion of the roster, written notice of the assessment shall be sent to every owner subject to the assessment. An owner may not escape liability or be entitled to a deferral of interest, fines or collection costs with regard to delinquent assessments on the basis of such owner's failure to receive notice, if such notice was sent via regular mail to the most recent address of the owner according to the records of Association. Each owner shall have the obligation to notify the Association in writing of any change in address which shall become effective five days after written notice has been received.

3. DUE DATE

All assessments are due on an annual basis, as determined by a majority of the Board for that assessment year. If any assessment due the Association is not paid on the date when due, then such assessment shall become delinquent thirty (30) days after the due date. Charges disputed by an owner are considered delinquent until such time as they are paid in full.

4. INTEREST

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate set forth in the Declaration until the assessment is paid in full.

5. DELINQUENCY NOTIFICATION

The Association shall send or cause to be sent the following notification(s) to delinquent owners:

a. PAST DUE NOTICE: In the event that an assessment account balance remains unpaid thirty (30) days from the due date, a Past Due Notice shall be sent via regular mail to each owner indicating all assessments, interest and any other amounts due.

b. FINAL NOTICE: A Final Notice shall be sent via certified mail, return receipt requested to each delinquent owner. Per Section 209.0064 of the Texas Property Code, homeowners have forty-five (45) days to cure delinquencies after receiving a certified notice. The Final Notice will set forth the following information and the result of failure to pay, including an explanation of:

1. AMOUNTS DUE: All delinquent assessments, interest and any other amounts due;

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2. **HEARING:** Owners shall be given notice and opportunity for a hearing before the Board. A hearing shall be granted if a written request for a hearing is received by the Association not more than forty-five (45) days from the owner's receipt of the Final Notice. If a hearing is requested, further collection procedures are suspended until the hearing process is completed. The Board shall set a hearing date no later than thirty (30) days after receipt of owner's request for a hearing. Either party may request a postponement, which shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of both parties. Further collection steps will be determined by the Board;
 3. **COMMON AREA RIGHTS SUSPENSION:** If a hearing is not requested, the owner's use of recreational facilities and common properties may be suspended; and
 4. **MILITARY NOTICE:** if the owner is serving on active military duty, the owner may have special rights or relief related to the enforcement action under federal law, including the Service Members Civil Relief Act.
- c. **NOTICE OF TURNOVER TO COLLECTION AGENT/ATTORNEY:** If a hearing is not requested within 45 days from receipt of the Final Notice, member privileges will be suspended, the account may be sent to a collection agent and/or Association's attorney for collection and any fees and expenses will be charged to the owner. An owner may not be charged fees from a collection agent (as same is defined in Property Code §209.0064) or Association's attorney unless the Association first provides written notice to the owner by certified mail, returns receipt requested, that:
1. Describes the options the owner has to avoid having the account turned over to a collection agent or Association's attorney, including information regarding availability of a payment plan through the Association; and
 2. Provides a period of at least thirty (45) days for the owner to cure the delinquency before further collection action is taken.
6. **REFERRAL OF ACCOUNT TO ASSOCIATION'S ATTORNEY**
 Upon referral of the account to the Association's attorney, Association's attorney is authorized to take whatever action is necessary, in consultation with the Board, including but not limited to: sending demand letters, filing a lawsuit against the delinquent owner for a money judgment, judicial foreclosure, instituting an expedited foreclosure action; and, filing necessary claims, objections and motions in bankruptcy court and monitoring the bankruptcy case in order to protect the Association's interests. In the event the Association has determined to foreclose its lien provided in the Declaration, and to exercise the power of sale thereby granted, such foreclosure shall be accomplished pursuant to the requirements of Section 209.0092 of the Texas Property Code by first obtaining a court order in an application for expedited foreclosure under the rules adopted by the Supreme Court of Texas.

7. **BANKRUPTCIES**

Upon receipt of any notice of a bankruptcy of an owner, the account may be turned over to the Association's attorney so that the Association's interests may be protected.

8. **REQUIRED ACTION**

Nothing contained herein, not otherwise required by the Declaration or by law, shall require the Association to take any of the specific actions contained herein. The Board shall have the right, but not the obligation, to evaluate each delinquency on a case-by-case basis as its best judgment deems reasonable.

II. PAYMENT PLAN GUIDELINES

1. **PAYMENT PLAN SCHEDULE**

A member of the Association who is delinquent in the payment of any regular or special assessments or any other amounts owed to the Association (collectively Delinquent Assessments) shall be entitled to enter into a payment plan with the Association providing for an alternative payment schedule by which the member may make partial payments (Payment Plan) to the Association for Delinquent Assessments. Each such Payment Plan shall be in accordance with terms of these Payment Plan Guidelines and the requirements of Section 209.0062 of the Texas Property Code. Notwithstanding the foregoing or any provision herein to the contrary, the Board, in its discretion, may elect not to allow a Payment Plan for any member of the Association who has failed to honor the terms of a previous payment plan with the Association during the two (2) years following the member's default under the previous Payment Plan. A Payment Plan shall require twenty percent (20%) of the delinquent amount to be paid at the inception of the Payment Plan, and there shall be a Payment Plan available as follows:

- a. Members owing Delinquent Assessments to the Association for the current year's assessments or less shall be entitled to pay all Delinquent Assessments and any Payment Plan Administrative Charges (as defined below) owed in equal monthly installments over a period of up to six (6) months. Members owing for more than the current year's assessments shall be entitled to pay all Delinquent Assessments and any Payment Plan Administrative Charges (as defined below) owed in equal monthly installments over a period of up to twelve (12) months.
- b. Under any Payment Plan, in addition to the Delinquent Assessments due and payable thereunder, the Association shall also be entitled to recover all interest due and payable on the member's Delinquent Assessments (which interest shall continue to accrue on all Delinquent Assessments in accordance with applicable provisions of the Association's governing documents), as well as the Association's reasonable costs associated with administering the Payment Plan (collectively, the "Payment Plan Administrative Charges").

- c. Each Payment Plan shall be evidenced in writing by an agreement executed by both the member and an authorized representative of the Association. The agreement shall specify the total amount of Delinquent Assessments owed the total amount of Payment Plan Administrative Charges, and the period of repayment under the Payment Plan.
- d. Each payment due under any Payment Plan shall be due on or before the first day of each month during the term of the Payment Plan.
- e. Any payment made pursuant to a Payment plan which is returned for insufficient funds, and any payment which is received after the due date thereof, shall constitute a material breach of the Payment Plan, in which event the Payment Plan shall be terminated, and all unpaid amounts subject to the Payment Plan shall immediately become due and payable in full.
- f. In the event there is a default on the Payment Plan, a Final Notice shall be sent via certified mail, return receipt requested to each delinquent owner.

2. APPLICATION OF PAYMENTS

- a. In accordance with the terms of Section 209.0063 of the Texas Property Code, except for payments made to the Association by members who are in default under a Payment Plan with the Association, a payment received by the Association from a member shall be applied to the member's debt in the following order of priority:
 1. Any delinquent assessment;
 2. Any current assessment;
 3. 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;
 4. Any attorney's fees incurred by the Association;
 5. Any fines assessed by the Association; and
 6. Any other amount owed to the Association.
- b. Any payments received by the Association from a member of the Association who is in default under a Payment Plan with the Association shall be applied to the member's debt in the following alternative order of priority:
 1. Any attorney's fees or third-party collection costs incurred by the Association in connection with collection of the member's debt;
 2. Any other fees and expenses reimbursable to the Association in connection with collection of the member's debt;
 3. Late charges and interest due by the member;
 4. Any delinquent assessment;

- 5. Any current assessment;
- 6. Any other amount owed to the Association (excluding fines); and
- 7. Any fines assessed by the Association.

III. MISCELLANEOUS

1. CONFLICTS

Should all or part of any of this Collection Policy and Payment Plan Guidelines be in conflict with any provision of Chapter 22, Nonprofit Corporations of the Texas Business Organizations Code, the Chapter 209 Texas Residential Property Owners Protection Act, or any other Texas Law, such act or law shall control.

2. AMENDMENTS

This Collection Policy and Payment Plan Guidelines may only be amended by a quorum of the Board.

CERTIFICATION

I hereby certify that, as Secretary of the Spring Creek Forest Civic Association, the foregoing Collection Policy and Payment Plan Guidelines were approved on the 16 day of November, 2021 at a meeting of the Board of Directors at which a quorum was present.

DATED, this the 16 day of November, 2021

Signature: *Erin Maxwell*

Print Name: Erin Maxwell

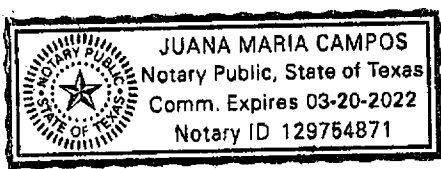
Title: Secretary

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, on this day personally appeared ERINSMAXWELL, the Secretary of the Spring Creek Forest Civic Association, known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that they executed the same for the purposes herein expressed and in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal this the 18 day of November, 2021.



Juana Maria Campos
Notary Public, State of Texas

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