

SPRING CREEK OAKS COMMUNITY IMPROVEMENT ASSOCIATION COLLECTION POLICY

Purpose:

The Board of Directors recognizes the importance of collecting the annual maintenance fees and related charges which promote the health, recreation and welfare of the members and their properties, as well as subdivision common areas, amenities, and associated facilities. The purpose of this policy is to ensure that Association dues and related charges are collected in a timely manner.

Policy:

The Board of Directors will establish association dues each year. An assessment invoice shall be mailed to each Member in either November or early December stating the amount due. It is the responsibility of each respective member / property owner to notify the Association and/or a Director if an assessment invoice is not received by the Member by December 31st.

Payment deadline of the annual Association dues is expected on or before January 1st of each successive calendar year. A 30-day grace period (until January 31st) is automatically granted to all Members. During this grace period, late fees and interest shall not accrue against an account, unless a delinquency exists from a previous year. As of February 1, an assessment or any portion thereof that is delinquent shall incur interest at the annual rate of fifteen percent (15.00%), and may also be assessed a monthly late charge in the event the Board of Directors adopts and approves same.

The Association may send one or more letters (following the grace period) notifying the member / property owner of the delinquency, in accordance with Board instructions. The final letter shall be sent via certified mail, return receipt requested, and a copy sent by regular mail. Such final letter shall include the language required by Chapter 209 of the Texas Property Code, whereby the owner shall be notified of the owner's right to appear before the Board of Directors, and shall be notified of the fact that additional fees and costs will likely be added to an account which is eventually referred to an attorney for collection. By March of a respective year, the member / property owner shall have been sent at least one delinquency notice. The owner shall be responsible for all postage costs associated with the delinquent notice(s) that are sent.

The Association shall permit delinquent homeowners to pay all amounts, delinquent or otherwise, owing to the Association by way of a monthly payment plan. A reasonable fee shall be assessed to the owner's account for preparation of the payment plan, along with a monthly administrative fee for each received and processed. For the duration of the payment plan, interest will continue to accrue against the delinquent assessments appearing on the account, however, late fees and/or collection costs will be waived during the duration of the payment plan. The minimum term of a payment plan shall be three (3) months, and the maximum term shall be eighteen (18) months, according to Texas law. Should a homeowner fail to honor the terms of a payment plan, the Association is not required to offer such homeowner any additional payment plan, for a period of two (2) years, from and after the date of such owner's default under the original plan.

Members / property owners who have not paid their annual assessments shall be referred to the Association's attorney for appropriate collection efforts. The owner shall be responsible for all legal fees associated with delinquent assessments, as well as any other outstanding balance. In the event that dues and related charges remain delinquent after the attorney's demand letter, the attorney shall be authorized to bring such legal action as is appropriate in a Court of competent jurisdiction, seeking judgment against the property owners, as well as such other relief at law and/or in equity as is deemed necessary and appropriate. Formal legal action shall be brought against those owners and/or properties sustaining a delinquent balance and/or which accounts reflect assessments and related charges which are overdue, after a vote of the Board of Directors to proceed with such legal action, which vote shall be conducted at a regular or special meeting of the Board, after

proper notice to owners in accordance with the Texas Property Code, and the results of such vote shall be reflected in the minutes of the meeting.

Priority of Payments

Payments shall be applied in the following order:

1. Any delinquent assessment;
2. Any current assessment;
3. Any attorney's fees or 3rd party collection costs incurred by the Association related to efforts to collect assessments or any other charge that could provide basis for foreclosure;
4. Any attorney's fees not subject to (3);
5. Any fines assessed by the Association; and
6. Any other amount owed to the Association.

Exception, if an Owner is in default on a payment plan, the Association is not required to apply any payment in the above specified order of priority.

Adopted by Resolution of the Board of Directors on this 5th day of DECEMBER, 2011.

Signed: _____





