

**SAN JOAQUIN PARKWAY HOMEOWNERS 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. In general, the Board of Directors will follow the schedule below, in providing notice of assessments to the owners, and in pursuing collection of delinquent accounts:

**SJPHOA SCHEDULE OF ANNUAL ASSESSMENTS**

All owners in San Joaquin Parkway Homeowners Association shall be assessed annual fees to be used exclusively to promote the recreation, health, safety and welfare of the residents.

Article IV Section 2 Covenant for Maintenance Assessments

- February 1 - Assessment statements will be mailed to owners of record for the current year, and shall include all past due amounts that may apply.
- March 31 - Assessments not paid by this date shall be considered past due
- April 30 - 10% per annum interest rate will be added to any unpaid balance (Article IV Sec. 8)
- A 2<sup>nd</sup> collection letter will be mailed to owner of record
- June 1 - Final (certified mail) collection letter with statement to be mailed - \$10 certified letter fee
- July 1 - Evaluation of legal procedures for collection by Board of Directors

Refer delinquent accounts to attorney for collection

Owners with past due balances of 3 years or more and/or deed restriction violations

Lawsuit (JP Court) process – Association may also seek judgment in Small Claims Court.

1. Send final demand letter to include any deed restriction violations –
  - a. Certified letter Fee \$10 & Send by regular mail and give 30 days
  - b. Deed Restriction pictures taken
  - c. Lawsuit filed – add filing fees to balance

The Association may send one or more letters (following any 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. The respective 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, which must be reduced to writing and signed by the respective property owner(s). 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. Partial payments received from owners will be returned to the respective property owners, unless a written payment plan agreement is in place, and such document is signed by the owner(s).

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 3<sup>rd</sup> 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.

Approved and adopted by the Board on this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

\_\_\_\_\_  
Signature  
Position \_\_\_\_\_  
San Joaquin Parkway Homeowners Association

STATE OF TEXAS           §  
  §  
COUNTY OF GALVESTON   §

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_,  
\_\_\_\_\_ (position) of San Joaquin Parkway Homeowners Association, a Texas non-  
profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing  
instrument and acknowledged to me that he/she had executed the same as the act of said entity for the purpose  
and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Notary Public, State of Texas  
  
\_\_\_\_\_  
Printed Name