

**Summer Point Village Homeowners Association, Inc.**  
**ASSESSMENT COLLECTION**  
**POLICY**

The Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Restrictions. Terms used in this policy, but not defined, shall have the meaning subscribed to such term in the Restrictions.

**Section 1. DELINQUENCIES, LATE CHARGES & INTEREST**

- 1-A. Due Date. An Owner will timely and fully pay Regular Assessments and Special Assessments. Regular Assessments are assessed Semi-Annual and are due and payable on the first calendar day of the month the assessment is charged, or in such other manner as the Board may designate in its sole and absolute discretion.
- 1-B. 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 collection costs, interest and late fees.
- 1-C. Late Date. The date the assessments due date grace period is over and the date to which late fees and/or interest begin accruing.
- 1-D. Late Fees & Interest. If the Association does not receive full payment of a Regular Assessment by 5:00 p.m. of the late date established by the association governing documents, 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 until paid in full.
- 1-E. 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 collecting the delinquency.
- 1-F. Insufficient Funds. The Association may levy a charge of \$30 for any check returned to the Association marked "not sufficient funds", "stop payment" or the equivalent.
- 1-G. Waiver. Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board.

**Section 2. INSTALLMENTS & ACCELERATION**

If an Assessment, other than a Regular Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Association may declare the entire Assessment in default and accelerate the due date on all remaining installments of the Assessment unless provide for in the Association's governing documents. An Assessment, other than a Regular Assessment, payable in installments may be accelerated only after the Association gives the Owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the Owner.



### Section 3. PAYMENTS

- 3-A. Application of Payments. After the Association notifies the Owner of a delinquency and the Owner's liability for late fees 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 obligations arose:
- |  |                           |
|--|---------------------------|
| (1) Delinquent assessments   | (4) Other attorney's fees |
| (2) Current assessments  | (5) Fines                 |
| (3) Attorney fees and costs associated with delinquent assessments | (6) Any other amount      |
- 3-B. Payment Plans. The Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months and a maximum term of eighteen (18) months from the date the payment plan is requested for which the Owner may be charged reasonable administrative costs and interest. The Association will determine the actual term of each payment plan offered to an Owner. If an Owner is in default at the time the Owner submits a payment, the Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.
- 3-C. 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.
- 3-D. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.
- 3-E. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner. The Association may require the Owner to prepay the cost of preparing and recording the release.



#### **Section 4. LIABILITY FOR COLLECTION COSTS**

- 4-A. Collection Costs. The defaulting Owner may be liable to the Association for the cost of title reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

#### **Section 5. COLLECTION PROCEDURES**

- 5-A. 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.
- 5-B. Delinquency Notices. If the Association has not received full payment of an Assessment by the due date, the Association may 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 may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.
- 5-C. 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.
- 5-D. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default obligations.
- 5-E. 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 the Association's attorney for collection. In the event an account is referred to the Association's attorney, the Owner will be liable to the Association for its legal fees and expenses.
- 5-F. Notice of Lien. The Management Company may cause a notice of the Association's Assessment lien against the Owner's home 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.
- 5-G. Cancellation of Debt. If the Board deems the debt to be uncollectible, 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.
- 5-H. Suspension of Use of Certain Facilities or Services. The Board may suspend the use of the Common Area amenities by an Owner, or his tenant, whose account with the Association is delinquent for at least thirty (30) days.



## **Section 6. GENERAL PROVISIONS**

- 6-A. 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-B. 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-C. 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 receives, 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 Special Assessments and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.
- 6-D. 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 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-E. Amendment of Policy. This policy may be amended from time to time by the Board.



The following actions are performed to collect on delinquent accounts. Monthly late and handling fees are assessed to delinquent accounts according to the notification on the billing statement and a monthly past due letter with account analysis or a late statement. The steps listed below are executed based off the late date or late interest date in the association's governing documents.

Friendly reminder statements will be sent on all accounts with a balance beginning the first month the account becomes delinquent and will be mailed after the late fee and/or interest cutoff date.

Collection Step	Notes
Initial Collections Letter (209 Letter)	This letter is mailed by regular & certified mail. This letter allows the owner thirty (30) days to pay or dispute the balance & notifies of future action if payment is not received. This letter also includes a payment plan option for homeowners to resolve their outstanding balance.
Order Title Search to Validate Ownership of Unit/Lot	A title search is ordered, and a letter is mailed to the owner informing them of this action and if payment is not received within thirty (30) days an assessment lien will be filed with the county & the associated cost charged back to their account.
Notify Owner of Lien Filing	If payment has not been received within thirty (30) days of the title search letter, a letter is mailed to the owner prepared, lien filed with the county. Upon payment in full a notice of release of lien will be processed & filed in the county at no additional charge.
Final Demand Letter	This letter is mailed by regular & certified mail. This letter allows the owner forty-five (45) days to pay or dispute the balance, including the ability to request a hearing with the board before collections turnover.
Forward Owner File to Association Attorney or Collection Agency	This action must be allowed in the association documents. The managing agent will forward the delinquent owner account to the association attorney if account is not paid in full.



**CERTIFICATION**

"I, the undersigned, being a Director of the Summer Point Village Homeowners Association, Inc., hereby certify that the foregoing was adopted by at least a majority of the Summer Point Village Homeowners Association, Inc. board of directors, at an open and properly noticed meeting of the board, at which a quorum of the board was present."

By: James Young

Position: President

Print name: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF TEXAS §

§

COUNTY OF Collin §

BEFORE ME, the undersigned authority, on this day, personally appeared the person \_\_\_\_\_ whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same as the act of the Association for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_

Notary Public, State of Texas

After Recording Return to:  
Principal Management Group of North Texas  
12700 Park Central Drive Ste 600  
Dallas, Texas 75251



August 4, 2021

Board of Directors  
Summer Point Village Homeowners Association, Inc.

*Re: Credit Bureau Reporting*

Dear Members of the Board of Directors:

The preservation of the assets of your community association is critical, and ensuring the timely collection of dues and assessments is the most effective means of accomplishing this. Whenever homeowners are delinquent with their payments, it potentially exposes your association to being in a position of having insufficient capital to protect and preserve its assets, especially if faced with unforeseen circumstances or emergencies.

Summer Point Village Homeowners Association, Inc. ("the Association") has expressed an interest in implementing credit bureau reporting of delinquent owners and has asked Principal Management Group of North Texas to assist the Board of Directors with this process. As a result, the Association has authorized Principal Management Group of North Texas, on behalf of the Association, to report delinquent owners to a credit bureau in compliance with the Association's collection policy. The owner will be charged a fee for this service by Principal Management Group of North Texas, and the fee that will be due and owed to Principal Management Group of North Texas by each reported owner is \$64.95.

If the Association is in agreement with the foregoing terms and conditions and authorizes these credit bureau reporting services, please so indicate by signing this letter in the space below. By signing below, the Association acknowledges that it has read and understands the above terms and conditions and that it accepts and agrees to be bound by such.

Regards,

Principal Management Group of North Texas

**ACCEPTED AND AGREED BY:**

Summer Point Village Homeowners Association, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

*James Young*  
*8-24-2021*