



# COLLECTION POLICY AND PAYMENT PLAN GUIDELINES

RIVERSTONE HOMEOWNERS ASSOCIATION, INC.

REVISED October 27, 2021

WHEREAS, the property encumbered by this Collection Policy and Payment Plan Guidelines for Riverstone Homeowners Association, Inc. ("Guidelines") is the property restricted by the Declaration of Covenants, Conditions and Restrictions for Riverstone (Riverstone Homeowners Association, Inc.) recorded under Fort Bend County Clerk's File No. 2001047889 (the "Declaration") and any supplements or amendments created thereafter, as same may have been or may be amended from time to time, and any other property which has been or may be annexed thereto and made subject to the authority of the Association;

WHEREAS, reference is hereby made to the Declaration for all purposes, and any and all capitalized terms used herein shall have the meanings set forth in the Declaration, unless otherwise specified herein;

WHEREAS, pursuant to Chapter 209 of the Texas Property Code, the Board of Directors (the "Board") of Riverstone Homeowners Association, Inc. (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 established that it is in the best interest of the Association to adopt these Guidelines.

NOW THEREFORE, the Board hereby adopts these 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 calendar year of the Association covering the estimated costs of operation of the Association during each calendar year.

### 2. NOTICE

The Association shall in good faith attempt to cause the Association's budget and notice of all Assessments to be levied against each Lot for the following year to be delivered to each Owner at least thirty (30) days prior to the end of the each calendar year. An Owner shall not escape liability or be entitled to a deferral of interest, late charges, 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 and/or via certified mail return receipt requested to the most recent address of the Owner according to the records of the Association. Each Owner shall have the obligation to notify the Association in

writing of any change in address which shall become effective five (5) days after written notice has been received.

3. DUE DATE

All Assessments and other charges are due and payable to the Association on January 1<sup>st</sup> of each year, or as otherwise determined by the Board. All Assessments and other charges due to the Association and not paid in full by 5:00 p.m. on January 31<sup>st</sup> (or as otherwise determined by the Board) shall be delinquent. Charges disputed by an Owner are considered delinquent until such time as they are paid in full or the Owner has been provided verification of the disputed amounts due. Payments are considered received by the Association on the actual date that the payment is received by the Association, rather than the date listed on any check, money order or other payment type or postmarked date on the envelope transmitting payment.

Payments received after the due date are considered delinquent and the entire amount due may be transferred to a Payment Plan as set forth in Section II of these Guidelines.

4. INTEREST

All delinquent Assessments shall incur a charge of interest at the rate of ten percent (10%) interest per annum from the delinquency date of January 31<sup>st</sup> (or as otherwise determined by the Board) until the delinquent Assessments are paid in full.

5. LATE CHARGES

All accounts with a balance of at least fifty dollars (\$50.00) shall incur a late charge of twenty-five dollars (\$25.00) per month beginning on the last day of February and continuing in any month that there is a balance on the account until the delinquent balance is paid in full.

6. DELINQUENCY NOTIFICATION

The Association may cause to be sent the following notification(s) to delinquent Owners:

- a. PAST DUE NOTICE: In the event that any Assessment account balance remains unpaid thirty (30) days from the due date, a Past Due Notice may be sent via regular mail to each Owner with a delinquent account setting forth all Assessments, interest and other amounts due. The Past Due Notice will contain a statement that the entire remaining unpaid balance of the Assessment is due and that the Owner is automatically entered into a Payment Plan as set forth in Section II of these Guidelines. **In addition to the Late Charge provided for in Article I, Section 5 of these Guidelines, a charge of twenty dollars (\$20.00) per month may be added to each delinquent Owner's account balance for administrative costs related to the Payment Plan and such additional administrative costs will continue until the entire balance is paid in full.**
- b. FINAL NOTICE: In the event the entire Assessment account balance, including any late charges, interest, self-help charges, and/or deed restriction violation fines, is not paid in full by the date specified in the Past Due Notice, or there is a default on the Payment Plan, a Final Notice may be sent via certified mail. The Final Notice may be also sent by any method of mailing



for which evidence of mailing is provided by the United States Postal Service or a common carrier to the Owner's last known address as shown on the Association's records, as well as by any other method that the Board determines that the Final Notice may be received by the Owner. A charge of forty dollars (\$40.00) will be added to each Owner's delinquent Assessment account for the administrative and postage costs related to the Final Notice. The Final Notice will set forth the following information and results of failure to pay, including an explanation of:

1. AMOUNTS DUE: All delinquent Assessments, interest and other amounts due and the total amount of the payment required to make the account current.
2. OPTIONS: If the Owner has a right to a Payment Plan, as set forth below, the options the Owner has to avoid having the account turned over to a collection agent or legal counsel, including information regarding availability of a payment plan through the Association.
3. PERIOD TO CURE: A period of at least forty-five (45) days for the Owner to cure the delinquency before further collection action is taken.
4. 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 thirty (30) days from the date the Final Notice is mailed to the Owner.

If a hearing is requested within thirty (30) days from the date the Final Notice is mailed to the Owner, further collection procedures are suspended until the hearing process is completed. The Board shall set a hearing date not 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 action of the Association.

5. COMMON AREA RIGHTS SUSPENSION: If a hearing is not requested within 30 days from the date the Final Notice is mailed to the Owner, the Owner's use of common properties and facilities may be suspended.
6. 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 Servicemembers Civil Relief Act.

c. TURNOVER TO COLLECTION AGENT/ATTORNEY: if the delinquency remains unpaid after the period to cure the delinquency expires, including any time frame to request and conduct a hearing, the account may be sent to a collection agent and/or the Association's attorney for collection and any fees and expenses will be charged.

7. REFERRAL OF ACCOUNT TO ASSOCIATION'S ATTORNEY

Upon referral of the account to the Association's attorney, the attorney is authorized to take whatever action is necessary, in consultation with the Association, including but not limited to: sending demand letters, filing a lawsuit against the delinquent Owner for a money judgment, instituting an expedited or judicial foreclosure action; and, filing necessary claims, objections and motions in the bankruptcy court and monitoring the bankruptcy case in order to protect the Association's interests.

As a prerequisite to foreclosure of the Association's lien, either the Association's attorney or the Association will send notification via certified mail to any other holder of a lien of record on the Owner's property whose lien is inferior or subordinate to the Association's lien as evidenced by a deed of trust. The notification may be also sent by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, as well as by any other method that the Board determines that the notification may be received by such lien holder(s). Said notice will provide such lien holder with the total amount of the delinquency giving rise to the foreclosure and an opportunity to cure before the sixty-first (61<sup>st</sup>) day after the day the notice is mailed.

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 Sections 209.0091 and 209.0092 of the Texas Property Code.

8. 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.

9. REQUIRED ACTION

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

10. PAYMENTS RETURNED NON-SUFFICIENT FUNDS

An Owner will be assessed a service charge for any check that is returned or Automatic Clearing House (ACH) debit that is not paid for any reason, including but not limited to Non-Sufficient Funds (NSF) or stop payment order. The amount of the service charge assessed will be the customary amount charged.



## II. PAYMENT PLAN

### 1. PAYMENT PLAN SCHEDULE

The Association hereby establishes a Payment Plan schedule by which an Owner may make partial payments to the Association for delinquent Assessments and any other amount owed to the Association without accruing additional monetary penalties. Monetary penalties do not include interest or reasonable costs associated with administering the Payment Plan. The Payment Plan Schedule is as follows:

- a. For those Assessments that become delinquent on the 1<sup>st</sup> day of February, the entire Assessment balance along with interest and administrative costs shall then be due and payable in three (3) payments;
- b. The due dates for the Payment Plan will be February 28<sup>th</sup>, March 31<sup>st</sup>, and April 30<sup>th</sup>;
- c. An Owner, upon written request, may request a longer period of time for a Payment Plan;
- d. Failure to pay any installment under the Payment Plan shall be considered a default of the Payment Plan;
- e. 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 a previous Payment Plan;
- f. The Association is not required to offer a Payment Plan to an Owner after the 30 day period to cure the delinquency has expired;
- g. The Association is not required to allow an Owner to enter into a payment plan more than once in any 12-month period.

### 2. APPLICATION OF PAYMENTS

- a. Except as provided in subsection (b) immediately below, a payment received by the Association shall be applied in the following order of priority:
  1. Any delinquent Assessment
  2. Any current Assessment;
  3. Attorney's fees or third party collection costs incurred by the Association associated solely with Assessments or other charge that can be the basis of foreclosure;
  4. Attorney's fees not subject to "7" above;
  5. Fines;
  6. Any other amount owed to the Association.
- b. If/when an Owner defaults on a Payment Plan, the remaining delinquent amount will become due in full and the Association may begin further collection action as set out above in Article I or any other action the Association considers reasonable. Any payment(s) received by the

Association after such default shall be applied in the following order of priority:

1. Costs (including but not limited to Final Notice charges, self-help charges, and/or any out-of-pocket expenses of the Association);
2. Attorney fees;
3. Interest;
4. Late Charges;
5. Delinquent Assessments;
6. Current Assessments;
7. Any other amounts owed the Association;
8. Fines.

As to each category identified in this subsection (b), payment shall be applied to the most-aged charge first. The acceptance of a partial payment on an Owner's account does not constitute a waiver of the Association's right to collect the full outstanding balance due on said Owner's account.

