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LAKESIDE IMPROVEMENT ASSOCIATION BILLING & COLLECTION POLICY

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RP-2018-458564
10/05/2018 RP1 \$28.00

WHEREAS, the Board of Directors (the "Board") of Lakeside Improvement Association (the "Association") is charged with the responsibility of collecting certain maintenance assessments and other charges from Owners pursuant to the dedicatory instruments of the Association, including but not limited to the Amended and Restated Declaration of Covenants, Conditions & Restrictions recorded under Harris County Clerk's File No. 20150551169 (as amended and/or supplemented, the "Declaration");

WHEREAS, the Declaration and/or TEX. PROP. CODE § 204.010 authorize the Association, acting through its Board, to: adopt and amend budgets for revenues, expenditures, and reserves and collect regular assessments or special assessments for common expenses from property owners; impose interest, late charges, and, if applicable, returned check charges for late payments of regular assessments or special assessments; charge costs to an owner's assessment account and collect the costs in any manner provided in the restrictions for the collection of assessments; and adopt and amend rules regulating the collection of delinquent assessments and the application of payments;

WHEREAS, from time to time Owners become delinquent in their payments of assessments and other charges and/or fail to respond to the demands from the Association and/or its managing agents to bring their accounts current;

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a policy for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts to an attorney for collection so as to minimize the Association's loss of assessment revenue;

WHEREAS, the Board has retained legal counsel for their experience in representing property owners' associations in collections and other matters (the "Association's Attorneys"); and

WHEREAS, the Board has directed the Association's Attorneys to represent the Association per the terms outlined in this Policy;

NOW, THEREFORE, BE IT RESOLVED that the Association hereby adopts the following guidelines, policies and procedures with regard to the collection of assessments and other charges due the Association pursuant to the dedicatory instruments of the Association and Texas law:

1. **Statements for Assessments.** The Association shall send a statement for the annual assessment to each Owner of a Lot in the month preceding the month in which payment of the annual assessment becomes due. The statement shall be forwarded to an Owner at the last known mailing address of the Owner according to the records of the Association. It is the responsibility of the Owner to notify the Association in writing of a change in the Owner's primary mailing address. It is also the responsibility of the Owner to notify the Association in writing or via email of a primary email contact should the owner request communication via email. The submission of a check which sets forth an address for the Owner that is different from the mailing address previously provided by the Owner to the Association does not constitute written notice of a change of the Owner's mailing address. Additionally, the communication from an Owner via email from a different email address does not constitute written notice of a change of the Owner's email address.

2. **Due Date.** Annual assessments are due on the first (1st) day of January of each year. An annual assessment which is not received by the Association by January 15th of the year in which the annual assessment becomes due shall be deemed to be delinquent and shall bear interest at the rate of ten percent (10%) per annum from the original due date (January 1st) until paid. A late fee in the amount of \$25.00 shall also be charged to the Owner of the Lot for which the annual assessment becomes delinquent (on February 1st).
3. **Application of Payments.** In the event the Association receives a partial payment from an owner with limiting instructions or writings that might legally bind the Association regarding the debt (e.g. a statement of “paid in full” when the payment only represents a partial payment), the Association reserves the right to return said payment to the Owner, along with information regarding the balance owed. So long as an Owner is not in default under a payment plan entered into with the Association, any payment received from the Owner not containing limiting instructions as described above shall be applied in the following order or priority:
 - a) any delinquent assessment;
 - b) any current assessment;
 - c) any attorney’s fees or third party collection costs incurred by the Association solely with assessments or any other charges that could provide the basis for foreclosure (i.e., charges secured by the Association’s lien);
 - d) any attorney’s fees incurred by the Association that are not associated with assessments;
 - e) any fines assessed by the Association; and
 - f) any other amounts owed to the Association.

If the Owner is in default of a payment plan entered into with the Association, then any partial payment received from the Owner shall be first applied to any outstanding attorney’s fees, then to late charges, then to interest, then to any collection costs, and finally to any unpaid assessments, oldest assessment first.
4. **Insufficient Check.** If an Owner submits a check in payment of all or some portion of the Owner’s assessment account and the check is returned unpaid due to insufficient funds in the account, future payments of sums owed to the Association must be made by cashier’s check or money order. The sum of \$25.00 shall be charged to an Owner for a check returned due to insufficient funds.
5. **Past Due Statements.** If an Owner’s assessment account becomes delinquent, a statement shall be sent to the Owner the month after the account becomes delinquent (i.e., after January 31st of the year in which the assessment became due). The statement shall advise the Owner of the availability of a payment plan in accordance with the Association’s recorded Payment Plan Policy. The statement shall be sent to the Owner by email or by regular mail unless or until the account is referred to the Association’s attorney.
6. **Delinquency- 209 Letter** If an Owner’s assessment account becomes delinquent after June 1, of the year which the assessment is due, a delinquency notice may be sent to the Owners which shall:

- a) specify each delinquent amount and the total amount of the payment required to make the account current;
 - b) advise the Owner of the availability of a payment plan in accordance with the Association's recorded Payment Plan Policy;
 - c) provide a period of at least thirty (30) days to cure the delinquency before further collection action is taken; and
 - d) advise the Owner that if, after the thirty (30) day period has expired, the Owner has not entered into a payment plan and the account remains delinquent, the account may be referred to the Association's attorney and any fees and costs thereafter incurred by the Association will be added to the Owner's account in accordance with the Deed Restrictions.
7. **Suspension of Privileges.** If an Owner's assessment becomes delinquent, the Association may also suspend the Owner's right to use the recreational facilities of the Association after giving written notice to the Owner in accordance with Section 209.006 of the Texas Property Code. The suspension of an Owner's right to use the recreational facilities of the Association shall be in addition to, not in lieu of, all other remedies available to the Association for non-payment of assessments. This notice shall be sent to the owner by certified mail.
8. **Attorney Action.** If, after a delinquency notice is sent to an Owner, the Owner fails to respond to request a payment plan or pay the amount required to make the account current within thirty (30) days, the account may be referred to the Association's attorney for collection. The Association's attorney will forward a thirty (30) day demand for payment to the Owner, which demand shall also advise the Owner that the failure to pay the amount due may result in further legal action, including foreclosure of the Association's lien. Provided that, action to foreclose the Association's lien shall not be commenced unless authorized by the Board of Directors of the Association.
9. **Payment Plan.** Any payment plan entered into by and between the Association and an Owner shall be in accordance with the Association's recorded Payment Plan Policy.

SECRETARY'S CERTIFICATE OF ADOPTION OF
RESOLUTION BY BOARD OF DIRECTORS OF
LAKESIDE IMPROVEMENT ASSOCIATION

I, Meegan Dunlap, certify that I am the duly qualified and acting Secretary of Lakeside Improvement Association, a duly organized and existing non-profit Texas corporation.

I further certify that the Board of Directors of Lakeside Improvement Association, at a meeting of the Board on the 14th day of August, 2018, at which quorum was present, voted to adopt, record and implement the attached Billing & Collection Policy and entered said vote in the Minutes of the Meeting.

Dated: September 7, 2018

Meegan Dunlap
Lakeside Improvement Association, Secretary
Meegan Dunlap

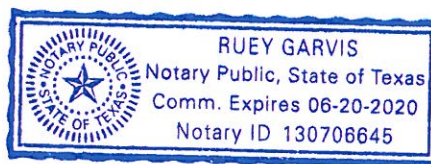
THE STATE OF TEXAS §
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COUNTY OF Harris §

This instrument was acknowledged before me on the 7th day of September, 2018, by Meegan Dunlap, Secretary of Lakeside Improvement Association, a Texas non-profit corporation, on behalf of said corporation.

Ruey Garvis
Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO: W

KATINE & NECHMAN, LLP
1834 Southmore Blvd.
Houston, TX 77004



FILED FOR RECORD

11:34:01 AM

Friday, October 5, 2018

Stan Stewart

COUNTY CLERK, HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED; in the Official Public Records of Real Property of Harris County Texas

Friday, October 5, 2018



Stan Stewart
COUNTY CLERK
HARRIS COUNTY, TEXAS