

**COLLECTION POLICY FOR DELINQUENT ACCOUNTS
EFFECTIVE JANUARY 1, 2012**

INTRODUCTION

The Board of Directors (“Board”) of Williamsburg Settlement Maintenance Association (“Association”) is charged with the responsibility of collecting assessments for common and/or neighborhood or other types of assessments as may be defined within the recorded restrictions from owners of units located with the community as provided for in the Declaration of Protective Covenants recorded in the office of the County Clerk of Harris County, Texas under Clerk’s File No J452121 in the office of the County Clerk. In an effort to assist the Board in the collection of the assessments, the Board has developed the following procedures for the billing and collection of the assessments.

A. BILLING AND COLLECTION PROCEDURES

a) **Initial Invoice and Record Address.** On or before November 30 of each year, the Board shall cause to be mailed to each owner of a lot in the community for which payment of the annual assessment is due, an Assessment Advisory and Invoice (“Initial Invoice”) setting forth the annual assessment amount. The Initial Invoice shall be sent to the owner by regular U.S. First-Class Mail. The Initial Invoice and any other correspondence, documents, or notices pertaining to the applicable lot shall be sent to the address which appears in the records of the Association for the owner, or to such other address as may be designated by the owner in writing to the Association. The fact that the Association or its management company may have received a personal check from an owner reflecting an address for the owner which is different from the owner’s address as shown on the records of the Association is not sufficient notice of a change of address for the Association to change its records regarding such owner’s address.

b) **Assessment Due Date.** All annual assessments shall be due and payable in advance on or before January 1. It is the responsibility of the owner to ensure and verify that payments are received by the Association on or before such date and the Association will not be responsible for delay by mail or any other form of delivery. Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by January 1.

c) **Delinquent Balances.** If a payment of the total assessment and any other charges which may be due is not received by the Association on or before January 31, the account shall be delinquent. If an owner defaults in paying the entire sum owing against the owner’s property on or before January 31, the owner shall be charged interest at the rate of 10% per annum computed from January 1, regardless of whether any demand letter has been sent to the owner. Further, owners who remain delinquent after January 31 shall be subject to the following collection procedures, which may be modified on a case-by-case basis by the Board as circumstances and information provided to the Board may warrant.

(1) **Final Notice.** On or after February 28, the Association will send a Final Assessment Advisory and Invoice (“Final Notice”) to the owner by certified mail, return receipt requested, and by regular U.S. First-Class Mail, showing that the account remains delinquent and that interest continues to accrue. The Final Notice will advise the owner that if the account is not paid within 30 days of receipt of the Final Notice, the Association intends to turn the account over to an attorney for further handling and the owner will thereafter be responsible for the reasonable fees and costs incurred and such fees and costs will be charged to the assessment account. The Final Notice will also inform the owner that pursuant to Chapter 209 of the Texas Property Code, the owner has the right to request a hearing before the Board and that if the owner does not pay the delinquent balance in full or request a hearing within the 30 day period the Association will pursue its remedies regarding the matter. The final notice will also inform the owner that that the Association will suspend the owner’s common property rights and trash pickup if payment is not received as required under 209.006 and that they have additional rights if serving on active military duty.

(2) **Remedies for Non-Payment.** If the delinquent balance is not paid in full or a hearing requested in writing within 30 days of receipt of the Final Notice, the Association will suspend the owner’s right to use the recreational facilities and the common properties and their trash pickup service will be suspended. The trash pickup will be reinstated if the owner enters into a payment agreement as provided for in Section C below. However, trash pickup service will be suspended again if payments are not made per the payment plan. Further, the Association may forward the delinquent account to its attorney for further handling. Once an account is turned over to the attorney, all future communication and

correspondence by the delinquent owner must be directed to the attorney, and not to the Association or its management company. It is contemplated that the attorney will pursue any and all of the Association's legal remedies to obtain payment of the delinquent balance, including pursuing a personal suit against the owner and/or pursuing a foreclosure action against the applicable property.

B. ENFORCEMENT COSTS.

All costs incurred by the Association as a result of an owner's failure to pay assessments and other charges when due (including any attorneys' fees and costs incurred) will be charged against the owner's assessment account and shall be collectible in the same manner as a delinquent assessment.

C. PAYMENT AGREEMENTS.

The Board will enter into a payment agreement (aka Payment Plan) with an owner who is unable to pay the full annual assessment by the date at which it is due and who makes a written request to PCMI to enter into such an agreement. Payment Plans are only available to owners who have not defaulted on a previous Payment Plan within the Last 2 years. All Payment Agreements must be in writing and signed by the owner. Owners who sign up for a payment plan must furnish to PCMI and keep current their U.S. Mail Address and phone number or email address. Owners can select a pre-approved plan that consists of a down payment of 10% (ten percent) of the outstanding balance followed by 9 (nine) subsequent equal installments such that the balance, including 10 percent (10%) interest and an administrative fee of \$5.00 (five dollars) per payment, is reduced to zero prior to November 1 of the applicable year. The owner may also submit an alternative payment schedule for Board consideration and approval. Owners who have failed to clear their outstanding balances by November 1 of any year will be handled on a case by case basis.

Once on a Payment Plan, no monthly bills will be sent to owners who are paying as scheduled. Owners can pay off their Payment Plan early and avoid future months Administrative fees and Interest. An owner is considered to be in Default of their Payment Plan if any scheduled payment is more than 15 (fifteen) days past due. Owners in default of their Payment Plan who have not already been sent a Final Assessment Advisory Notice will be sent such a notice and will have 15 (fifteen) days to correct the problem after which their account will be sent to the Attorney. If they have already received a Final Assessment Advisory Notice their account will immediately be turned over to the attorney without any further notice to the owner. Any account that is with the attorney must be paid in full to stop the legal action.

Owners are encouraged to pay their assessments well in advance of the Delinquent Date if they anticipate that they will be short on cash after the holiday season, so that they do not need to request a Payment Agreement and so that they can avoid possible legal action and further expense.

D. PARTIAL PAYMENTS AND APPLICATION OF FUNDS.

Partial payments will not prevent the accruals of interest on the unpaid portion of the assessment. The owner will still be considered to be delinquent upon making partial payments. Payments received from an owner will be credited in the order of the following categories in accordance with the Texas Property Code: delinquent assessments, current assessments, attorneys' fees and collection costs associated with delinquent assessments, attorney's fees other than those associated with delinquent assessments, fines and other amount owing to the association. The payment will be applied to the oldest amount due in each of such categories until charges in that category are paid in full, unless the Association elects to apply such charges in a different manner.

E. RETURNED CHECKS

At the election of the Association, an owner will be charged a reasonable fee for any check returned by the bank, which fee will be discharged to the owners' assessment account. A notice of the returned check and the fee will be sent to the owner by the Association's management company. If two or more of an owner's checks are returned unpaid by the bank within any one-year period, the Board may require that all of the owner's future payments for a period of two years by made by cashier's check or money order.

F. OWNER'S AGENT OR REPRESENTATIVE

If the owner expressly or impliedly indicates to the Association that the owner's interest in the property is being handled by an agent or representative, any notice from the Association to such agent or representative pursuant to this Collection Policy shall be deemed to be full and effective notice to the owner for all purposes.

WILLIAMSBURG SETTLEMENT MAINTENANCE ASSOCIATION

CERTIFICATION

I, the undersigned, being the President of Williamsburg Settlement Maintenance Association (WSMA), hereby certify that the foregoing resolution was adopted by the Association Board of Directors on the 28th day of SEPTEMBER, 2011.

BY: Floyd J. Ball, President DATE: 9-28-11

PRINT NAME: FLOYD J. BALL