

SPANISH GRANT CIVIC ASSOCIATION SECTIONS 1&2, INC

DELINQUENCY POLICY

The following is the Spanish Grant Civic Association Section 1&2 Inc. Delinquency Policy. This policy has been written within the guidelines of the Reservations and Restrictions applicable to the Spanish Grant Civic Association Sections 1&2 Inc. and the laws of the State of Texas. This policy will be enforced to ensure the financial security of the Association, while simultaneously ensuring the value, desirability and integrity of the Spanish Grant Bayside community. This Delinquency Policy will be enforced effective January 1, 2021 and will apply to assessments billed for the Year 2021 and thereafter.

I. ANNUAL BILLING

Each homeowner will be billed annually for the homeowners Annual Maintenance Fee. Any payment* made must be made within thirty (30) days of the Due Date (currently June 1). Payments must be received within thirty (30) days in order to avoid incurring any penalties.

II. LATE PAYMENTS

A reminder notice will be sent to the Owner if the payment is not received thirty (30) days from the Due Date. If payment of the assessment is not received within thirty (30) days from the initial Due Date, said assessment will incur a late charge as determined by the Board of Directors and will bear interest from the Due Date at the rate of ten percent (10%) per annum until paid in full. If full payment of the assessment, late fee and accrued interest has not been made within sixty (60) days after the Due Date, the owner will be mailed a 15-day demand letter as required by statute. The notice will set out the balance due as of the date of the notice and will state that the owner has fifteen (15) days from the mailing of the notice to pay the outstanding balance without the attorney's fees and court costs. If full payment is not received within fifteen (15) days of the mailing of that letter, then the account will be turned over to the Association's attorney for collection.

III. COSTS OF LEGAL ACTION

If it is necessary to initiate legal action, including but not limited to liens, foreclosure proceedings, and law suits, in order to collect overdue assessments, the homeowner will be responsible for all overdue assessments, late fees, accrued interest, costs of collection, reasonable attorney's fees and court costs as provided by the Reservations and Restrictions for Spanish Grant Civic Association Sections 1&2 Inc. and the Texas Residential Property Owners Protection Act.

[The Board of Directors for the Spanish Grant Civic Association Sections 1&2 Inc. will determine the appropriate action to be taken in any situation not expressly covered by this delinquency policy.]

*A returned check reimbursement charge of \$25.00 or the maximum allowed by Texas State law will be issued to any account whose checks on which payment has been refused by the payer bank because of insufficient funds, or because the drawer did not have an account at that bank.