



Late Fees of \$15 and an interest rate of 12% will be charged on any Owner's delinquent balance on the 30th day of each calendar month that a balance is owed. Legal fees, court costs, and other out-of-pocket collection, lien, and foreclosure fees will be charged to the Owner at the Associations cost.

2. **Liens** A lien may be placed on the home of an Owner who has reached a delinquent balance that exceeds an amount equal to 3/4 of the Annual Assessment rate in the year of the delinquency or has had a delinquent balance of \$300 or more for 12 consecutive months or a delinquent balance of \$300 for 18 of 24 months. A lien shall only be released when the Owner pays all past due assessments and all late fees, penalties, interest, legal fees, court costs and other charges for delinquent balances owed to the Association are paid.
3. **Foreclosure** Foreclosure may be initiated on Owners with balances with delinquent balances that exceed the Annual Assessment rate in the year of the delinquency or who has had a delinquent balance of \$300 or more for 12 consecutive months or 18 of the last 24 months.
4. **Alternate Payment Plans** Without exception, the Association shall offer all Owners the same alternate payment options and relief as provided for in this Supplemental Declaration and shall not otherwise discount assessments, special assessments, fees for service, late fees, penalties, legal and other collection related fees other than to correct any entries incorrectly applied to an Owners account.
  - a. To help Owners in financial need, all Owners with delinquent balances are entitled to elect to make partial payments for delinquent amounts under an Alternate Payment Plan in compliance with this policy.
  - b. Alternate Payment Plans are only available to Owners that have not had an active Alternate Payment Plan during the prior 24 month period.
  - c. An Alternate Payment Plan may be as short as three months or as long as 18 months based on the guidelines below. Owners may request a payment plan of:
    - i. up to six months for past due balances of less than the current annual assessment rate; or
    - ii. up to twelve months for past due balances of less than twice the current annual assessment rate; or
    - iii. up to eighteen months for past due balances of more than twice the current annual assessment rate.

- d. An Alternate Payment Plan must have a sequential monthly payment schedule of equal amounts.
- e. Late fees, penalties and legal collection related fees will not be charged to an owner's account during the Alternate Payment Plan term provided all payments are made as scheduled.

The association may charge the owner for any out-of-pocket fee for administering a payment plan. Such fee will be listed on the payment plan. Interest will continue to accrue during a payment plan.

- f. The monthly rate of an Alternate Payment Plan will be calculated by adding the delinquent balance, the estimated interest, the administrative fee, plus any anticipated new charges expected during the term of the Alternate Payment Plan and dividing by the number of months in the plan.

For example:

Delinquent Balance	\$596.00
Administrative fee	\$50.00
New Charges (two quarterly payments)	\$464.00
Interest (12% annual)	\$44.75
Duration (months)	6 months
 Monthly Rate ( \$596.00+\$50.00+\$464.00+\$44.75) /6 )	 \$192.46

- g. All Alternate Payment Plans must be in writing on a form provided by the Association and signed by the owner.
- h. The Alternate Payment Plan becomes effective and is designated as “active” upon:
  - i. receipt of a fully completed and signed payment plan application; and
  - ii. receipt of the first payment under the plan; and
  - iii. acceptance by the Association that the application is compliant with this policy.
- i. The Alternate Payment Plan remains “active” until the Owner default or pays off the remaining balance. If an owner defaults on the terms of Alternate Payment Plan, the plan will be voided. It is considered a default of payment plan, if the owner:
  - i. fails to return a signed application with the initial payment; or

- ii. misses a payment due in any calendar month; or
- iii. makes a payment for less than the agreed-upon amount of paragraph; or
- iv. fails to pay any new assessment by the due date.

In the absolute discretion of the Association, the Association may waive default under item ii, iii, or iv above if the owner makes up a missed or short payment with the immediate next calendar month payment.

- j. On a case-by-case basis the Association may agree, but has no obligation, to reinstate a void Alternate Payment Plan one (1) time during the original duration if all missed or short payments are made up at a time the owner submits a written request for reinstatement.
- k. The Association may, but has no obligation to, provide a courtesy notice of short or missed payments.
- l. If an Alternate Payment Plan is voided, the full amount due by the owner shall immediately become due. The Association will resume the process for collecting amount owed using all remedies available under the declaration and the law.
- m. All payments made under the Alternate Payment Plan will be recorded as credits to the Owner's account the same way all payments are recorded to all other Owner's accounts. All charges (e.g., assessments, interests, fees) will recorded to the Owner's account the same way charges are recorded to all other Owner's accounts.

If the calculated monthly payments under a Alternate Payment Plan results in paying more than is owed or less than is owed, the account statement will still be correct. This can happen with estimated payment amounts.

To the extent that any discrepancy arises between the Alternate Payment Plan payment schedule and the Owner's account maintained by the Association's accountant, the Owner's account shall be considered correct.

This policy is effective upon recordation in public records of Dallas County and replaces any prior Collection and Alternative Payment Plan Policy which may have previously been in effect. Except for the provisions changed by this declaration, all of the provisions contained in other declarations of the Association shall remain in full force and effect.