

Glencluster Community Association, Inc.

Collections Policy

STATE OF TEXAS

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KNOW ALL PERSONS BY THESE

COUNTY OF HARRIS

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PRESENTS:

WHEREAS, Glencluster Community Association, Inc. (the "Association") is charged with the responsibility of collecting the maintenance charge (the "Assessment") contained in the recorded declarations of covenants, conditions and restrictions for the various sections of the community (referred to collectively as the "Declarations"); and

WHEREAS, the Board of Directors of the Association (the "Board") desires to establish a collections policy to provide clear and definitive guidance to owners.

1. APPLICATION OF ASSESSMENTS, CHARGES, FINES AND FEES

Sec. 209.0063. PRIORITY OF PAYMENTS.

For purposes of calculating an owner's account balance with the Association, payments received from owners will be applied in the following order:

- (1) Any delinquent assessment;
- (2) Any current assessment;
- (3) Any attorney's fees or third party collection costs incurred by the association associated solely with assessments or any other charge that could provide the basis for foreclosure;
- (4) Any other attorney's fees on the account;
- (5) Any fines assessed by the association;
- (6) Any other amount owed to the association.

2. MAINTENANCE ASSESSMENT DUE DATE; LATE CHARGES

The Association shall collect each month from the owner of each lot 1/12th of the annual assessment for such lot. All annual assessments and related charges are due in full on the 1st day of the month and are deemed delinquent if not received in the management office within thirty (30) days. All special assessments are due in full within thirty (30) days of receipt.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum. An account administrative charge of \$35.00 shall be added to a delinquent homeowner's account each month until the delinquent assessment balance is fully paid.

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3. 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 charged to the owner's Assessment account. If one (1) of an owner's checks is returned unpaid by the bank, the Board will require that all of the owner's future payments, from here forward, be made by cashier's check, money order or Zelle transfer. Payments submitted by ACH (Automated Clearing House, an electronic network for financial transactions in the United States), will not be accepted.

4. NOTICES OF ACCOUNT DELINQUENCIES

All owners whose accounts with the Association are delinquent shall receive:

1. **First Delinquency Notice, cure default within thirty (30) days,**
2. **Second Delinquency Notice** shall advise the owner of the opportunity to **cure default within forty-five (45) days** and shall be sent to the owner by U.S. Certified Mail, Return Receipt Requested.
 - a. Specifying each delinquent amount and a total balance required to bring the account current.
 - b. Said Notice shall also describe the owner's options to avoid further collection efforts,
 - i. such as the **availability of a payment plan**.

5. COLLECTION BY ASSOCIATION'S ATTORNEY

Any assessment account balance remaining unpaid for seventy-five (75) days:

1. shall be turned over to the Association's attorney for collection.
2. All
 - a. administrative costs,
 - b. attorney's fees,
 - c. court costs, and
 - d. other related expenses for collection

incurred through either the Management Agent or the Association's attorney shall be:

- a. charged back to the owner, whose failure to timely pay the assessment or related charges caused the expenditure of funds.
- b. All such charges shall be added to the amount of the assessments.

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6. PAYMENT PLANS

- a. Availability. Payment plans are available to an owner whose account with the Association is delinquent. The minimum term for a payment plan offered by the Association is three (3) months. However, the Association may deny an owner the option of entering into a payment plan if (i) the owner has breached a payment plan within the previous two (2) years, or (ii) the owner does not request the payment plan within 45 days of the notice of delinquency sent by the Association.
- b. General Terms. Upon entering into an acceptable payment plan, an owner may make partial payments to cure their account delinquency without accruing additional penalties, although reasonable costs incurred by the Association in administering such payment plans may be charged, as well as interest accruing on the owner's account balance. Payments received under the payment plan shall be applied pursuant to Paragraph 1.
 - i. The resident who accepts a payment plan, will concurrently make the regular monthly assessment payment at the same time.
- c. Default. An owner is not entitled to a payment plan if the owner has defaulted on a previous payment plan in the last two (2) years. If an owner is in default under a payment plan entered into with the Association at the time the owner submits a payment, the Association is not required to follow the application of payments set forth in Paragraph 1.

7. ATTORNEYS AND PROPERTY MANAGER AUTHORIZED TO ENTER INTO PAYMENT PLANS

At all times during the collection process, the Association's legal counsel is authorized to enter into reasonable arrangements with owners in an attempt to collect the obligation owed to the Association. In the absence of a reasonable payment schedule or full payment of the assessment account, the Association attorneys and property manager are instructed to complete the entire collection process automatically.

Given that collecting maintenance assessments is more of an art than a science, reasonable latitude is necessary to allow the Association's attorneys' experience in collecting this type of debt to be fully utilized for the benefit of both the Association as a whole and the individual owners.

Therefore, the Association's attorneys are authorized to enter into a payment plan without Board approval. However, the Association's counsel shall strive, excepting special circumstances, to have homeowners enter into payment plans in conformance with the following:

- a. 50% of the balance as a down payment, may lower to one-third (1/3) for homestead owners with balances over \$3,000.00.

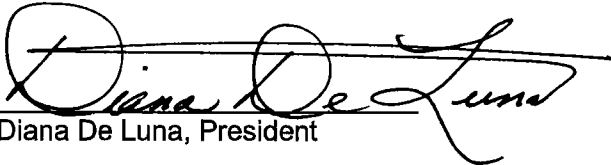
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- b. The payment plan will strive to conclude within six (6) months. However, homestead owner plans may be extended, if reasonable, to achieve approximately a \$500.00 per month cap.
 - c. If a payment plan is breached, an owner may be allowed a second payment plan if approved by the board of directors, and on a showing of good faith or deposit of a substantial down payment. However, the Association's attorneys are not required to offer second payment plans, and on breach, will reinstitute the collection process.
 - d. If the proposed payment plan exceeds six (6) months, the Board of Directors will generally be requested to approve the payment plan.
8. If arrangements have not been made by the owner to pay the account **IN FULL** by the foreclosure day, the property shall be foreclosed and sold at the foreclosure sale. The Association shall bid at such sale by and through its attorney to complete the sale in accordance with the law.
9. Upon case-by-case approval of the Board of Directors, the Association's attorney will be authorized to file a deficiency suit against the owners whose units have been foreclosed, but who still owe a balance of assessments to the Association.
10. This Policy, adopted by the Board of Directors, shall be applicable to all collections.

Approved and adopted by the Board on March 14, 2023.

GLENCLUSTER COMMUNITY ASSOCIATION, INC.


Diana De Luna, President

Glencluster Community Association, Inc.

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STATE OF TEXAS

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COUNTY OF HARRIS

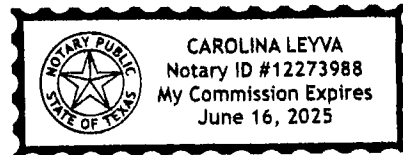
Before me, the undersigned authority, on this day personally appeared Diana De Luna, President of Glencluster Community Association, Inc., a Texas nonprofit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 16th day of May, 2023.



Notary Public, State of Texas

Return to: Barsalou and Associates, P.L.L.C.
4635 Southwest Freeway, Suite 580
Houston, TX 77027



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Pages 6
05/17/2023 08:26 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
TENESHIA HUDSPETH
COUNTY CLERK
Fees \$34.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically
and any blackouts, additions or changes were present
at the time the instrument was filed and recorded.

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.



Teneshia Hudspeth
COUNTY CLERK
HARRIS COUNTY, TEXAS

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