

**PECAN GROVE PLANTATION PROPERTY OWNERS' ASSOCIATION, INC.**  
**POLICY AND PROCEDURE COLLECTION OF FEES AND ASSESSMENTS**  
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**1. PURPOSE**

To define the Pecan Grove Plantation Property Owners' Association (PGPOA) policy and procedure regarding collection of fees and assessments.

**2. SCOPE**

Applies to all Property Owners of the PGPOA.

**3. DEFINITIONS**

ACCOUNTING The *external* provider of the PGPOA's accounting, billing, and financial record keeping services.

ANNUAL MAINTENANCE FEE - The subdivision fee charged to all PGPOA Property Owners as defined in the Declarations of Reservations, Restrictions and Covenants of the Sections of Pecan Grove Plantation.

CHARGE-BACK - A cost which is directly attributable to a Deed Restriction violation.

DEED RESTRICTIONS - Any or all of the Declarations of Reservations, Restrictions and Covenants of the Sections of Pecan Grove Plantation.

DUE DATE - The date by which payment is to be received to be considered to have been paid on time

GRACE PERIOD - The 30 day period immediately following the Due Date.

PARTIAL PAYMENT - A payment of less than all amounts due and owing the PGPOA.

PAST DUE AMOUNT - Any amount payable to the PGPOA which is not received by the end of the Grace Period.

PROPERTY OWNER Any Property Owner within the area of jurisdiction of the PGPOA. Also, referred to as members of the Association.

REASONABLE COSTS - These costs may include, but are not limited to, postage, courier charges, copying costs, fees for legal services, fees for accounting services, fees for administrative service, fees for property maintenance services, and any other costs incurred by the PGPOA in enforcing Deed Restrictions and collecting Annual Maintenance Fees and Special Assessments.

SPECIAL ASSESSMENT - In the event the PGPOA incurs extraordinary expenses, each Property Owner may be charged a fee to defray the expense.

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**4. REFERENCES**

- Sections 209 of the Texas Property Code, and
- Various Declarations of Reservations, Restrictions and Covenants of Pecan Grove Plantation (commonly known as "Deed Restrictions").

**5. POLICY**

1. The Due Date for all Annual Maintenance Fees shall be the first day of each calendar year. The Due Date for all Special Assessments shall be 30 days after the date of the invoice- The due date for all other charges shall be the last day of the month in which the invoice or statement is dated unless otherwise specified in this Collection Policy and Procedure.
2. All documents, correspondence, invoices, statements, and notices relating to the charges shall be mailed to the Property Owner's address which appears on the books of the PGPOA or to such other address as designated in writing by the Property Owner.
3. Non-receipt of an invoice or statement shall in no way relieve the Property Owner of the obligation to pay the amount due, nor shall it relieve the Property Owner from being charged late fees on past due balances in accordance with 6.3D, below.
4. Property Owners will be charged and invoiced for all Reasonable Costs of enforcing Deed Restrictions.
5. Payments will be forwarded to and posted by Accounting in a timely manner.
6. If Accounting is contacted by a third party (i.e., a title company or closing agent) inquiring about a Property Owner's outstanding account balance, all amounts charged to the Property Owner's account, whether or not invoiced, and which remain unpaid as of the inquiry date, will be included in the reported balance. Accounting may also inform the third party of PGPOA approved transfer and refinancing fees and, if applicable, of board approved maintenance fees for the future year.

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7. All costs incurred by the PGPOA as a result of any violation of the Deed Restrictions, By-Laws, Rules and Regulations or Resolutions of the Board of Trustees of the PGPOA, by a Property Owner, a Property Owner's family, employees, agents, tenants, guests and invitees, as well as failure to pay any Annual Maintenance Fee or Special Assessment shall be charged to such Property Owner and their property. Such costs include, but are not limited to, legal or administrative expenses (regardless of whether suits or liens are filed), Charge-Backs, late fees, any other Reasonable Costs and any costs permitted by the Deed Restrictions, By-Laws or State statutes.
8. The Board may grant a waiver to any provision contained herein upon petition to the Board, in writing or in person, by a Property Owner demonstrating a personal hardship. All such actions require a majority vote of the Board for implementation. By law, the Board may not reduce or waive any Annual Maintenance Fee or Special Assessment.
9. Payments received from a Property Owner will be credited in the following order of priority. In each category, payments will be first applied to the oldest amount due
  - a) Charges for legal fees, Court costs and other costs of collection; all other Reasonable Costs incurred by the PGPOA as a result of any violation by a Property Owner, a Property Owner's family, employees, agents, tenants or invitees, of the Deed Restrictions, By-Laws, Rules and Regulations, or Resolutions;
  - b) All late charges or other Reasonable Cost, as applicable;
  - c) Special Assessments;
  - d) The Annual Maintenance Fee for a property.
10. With each Statement, Accounting shall include an explanation of how payments received will be credited, as detailed in Paragraph 5.9, above.

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**6. PROCEDURES**

**6.1 Collection of Assessments**

- A. During September of each year, the Board shall determine the Annual Maintenance Fee for the following year.
- B. During October of each year, the Board shall communicate this decision to Accounting, which shall then prepare and mail the appropriate Annual Maintenance Fee invoices on or about November 15th of each year. The Annual Maintenance Fee invoice will state that payments are due by January 1 of the following year and that a late fee as detailed in Paragraph 6.3D, below, will be levied on past due account balances. In addition, each Property Owner whose account has an outstanding balance on the date Annual Maintenance Fee invoices are prepared will have the outstanding balance added to the current Annual Maintenance Fee invoice.

**6.2 Billing for Costs of Enforcing Deed Restrictions**

- A. When costs are incurred in enforcing Deed Restrictions, a detailed invoice to the Property Owner will be prepared and sent as soon as invoices for the services provided have been received from the Board's vendors and verified.
- B. A service charge in an amount approved by the Board may be added to the invoice to cover costs of preparing and mailing the invoice and for subsequent record keeping activities. The invoice will include an explanation of how payments will be credited to a Property Owner's account balance, as detailed in Paragraph 5.9, above.
- C. The Property Owner will be given 30 days from the invoice date to pay the invoice in full.
- D. No individual Board member, staff member, or vendor (Accounting, Attorney, etc.) may negotiate with the Property Owner to adjust the amount to be paid. If the Property Owner or any other party feels that the amount to be paid should be adjusted, the case must be presented in writing to the Board in a clear and understandable manner, and the Board will consider and may elect to approve an adjustment.

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- E. A copy of the invoice will be maintained in the Property Owner's Deed Restriction Activity file.

**6.3 Remedies for Non-Payment of Account Balances**

- A. If payment of the total account balance due, including all late fees and Charge-Backs, is not received by the PGPOA by the end of the Grace Period, the account shall be considered delinquent.
- B. Accounting will identify Property Owners whose accounts have not been paid in full and mail statements for delinquent accounts early in February, April, July, October and January. Late fees will be added to each statement in accordance with 6.3D, below.
- C. Collection letters will be mailed to Property Owners who have outstanding balances on March 31 and June 30.
- D. If any amount in a Property Owner's account has remained past due for at least 30 calendar days after payment was originally due, a late fee will be added on the first day of February, April, July, October and January if the account balance is \$50.00 or greater on the last day of January, March, June, September and December.
- E. For all accounts, which remain delinquent as of September 30, the PGPOA will send a demand letter with the statement in October. The purpose of the letter will be to encourage the Property Owner to either contact the PGPOA regarding why the account is delinquent or to immediately remit payment to the PGPOA. The demand letter will advise the Property Owner that the Board may take whatever legal actions are necessary to obtain payment from the Property Owner and that any associated costs will be charged back to the Property Owner.
- F. If any portion of a Property Owner's account is delinquent on December 31 of any year, the PGPOA will review the case and determine what action shall be taken to collect the outstanding balance.

**6.4 Partial Payments**

Partial Payments will be accepted and credited as specified in Paragraph 5.9. However, until the account is paid in full, the account will be considered to be delinquent, and the PGPOA retains the right to take action against the Property Owner to obtain full payment and to continue to assess late fees as described in Paragraph 6.3D, above.

**6.5 Returned Checks**

A Property Owner will be charged a \$25 fee for any check returned unpaid by the bank. A notice of the returned check and the \$25 fee will be sent to the Property Owner, and the Property Owner's account balance will be adjusted appropriately.

**7. SCHEDULE OF STATEMENTS**

The following schedule will be followed for invoicing and collection of fees and charges:

- 1) On or about November 15<sup>th</sup> Mail Annual Maintenance Fee Notices
- 2) Early February Mail statement for delinquent accounts
- 3) Early April Mail statement for delinquent accounts with first collection letter
- 4) Early July Mail statement for delinquent accounts with second collection letter
- 5) Early October Mail statement for delinquent accounts with demand letter
- 6) Early January Mail statement for delinquent accounts
- 7) On or about January 1<sup>st</sup> Delinquent accounts reviewed by the PGPOA for possible legal action

**8. REVISION HISTORY**

Rev. A 02/10/98 - Initial release

Rev. B 10/12/99 - Modified Section 5.2 C

Rev. C 08/19/03 - Modified to meet Section 209 of Texas Property Code