

Crystal Lake Homeowner's Association Collection Policies and Procedures

The Board of Directors has adopted specific collection procedures for the Crystal Lake Homeowner's Association (CLHA). All policies and procedures are listed below in the order in which they will be carried out. Deviation from these procedures requires prior approval from the Board of Directors.

1. Under the CCR's, the assessment, together with interest, costs and attorney fees become a continuing lien against the property as well as a personal obligation to the homeowner.
2. The annual assessment, currently \$150.00 per property, is due and payable on the first day of February each year. The annual assessment is delinquent if not paid within thirty (30) days from the due date. At this time, mail your check (payable to Crystal Lake Homeowner's Association) to: Crystal Lake Homeowner's Association, P.O. Box 498038, Garland, Texas 75049-8038.
3. Any assessment not paid within sixty (60) days of the due date shall accrue simple interest from the due date at the rate of ten percent (10%) per annum.
4. Any homeowner who is more than thirty (30) days past due in paying an assessment shall not be entitled to vote. Additionally, neither the homeowner nor the homeowner's tenant shall be eligible to use the common areas within the boundaries of the Crystal Lake neighborhood.
5. Homeowners will receive a REMINDER NOTICE once their assessment payment is thirty (30) days past due. The charge for this notice will be \$5.00 plus postage per property. These charges will be added to the homeowner's account.
6. If payment is not received within sixty (60) days from the original delinquency date (the delinquency date is thirty (30) days after the due date), homeowners will receive a DEFAULT LETTER by certified mail. The charge for this notification shall be \$8.00 plus postage per property. These charges will be added to the homeowner's account.
7. If payment is not received within fifteen (15) days of the DEFAULT LETTER, the attorney for CLHA will be notified of the homeowner's delinquency. The charge for this notification will be \$15.00 plus postage per property. These charges will be added to the homeowner's account. At this time, delinquent homeowners will be reported to TRW Credit Reporting Corp.
8. The attorney for CLHA will, upon notification as indicated above, immediately send a DEMAND LETTER calling for full payment within ten (10) days of all past-due assessments, interest and fees. The charge for this notification will be \$60.00 per property. These charges will be added to the homeowner's account.
9. If full payment is not received within ten (10) days from the date of the DEMAND LETTER, the Board of Directors shall request that the attorney for CLHA take further action. This action can include filing either a lien against the delinquent homeowner's property or filing a judgement against the delinquent homeowner in the Dallas County Justice of the Peace Court. Any charges incurred for the filing will be added to the homeowner's account.

Crystal Lake Homeowner's Association
Collection Policy

10. If full payment is not received within thirty (30) days from the date of the NOTICE OF LIEN or the JUDGEMENT NOTICE (whichever was filed by the CLHA attorney), the Board of Directors will authorize the attorney for CLHA to post the property for foreclosure. Foreclosure will occur not less than 21 days from the posting date nor more than 30 days from the posting date. The charge for this action will be \$100.00 plus any expenses incurred per property.
11. Delinquent accounts are subject to additional charges by the Crystal Lake Homeowner's Association, the attorney for CLHA and for non-routine collection activities and correspondence.

By the time the property is posted for foreclosure (approximately five (5) months from the original delinquency date), the homeowner could incur cost in excess of \$400.00 and if restitution is not made, homeowners could also lose their home.

Additional Notes:

1. Our attorney, <Firm name>, insists upon CLHA making specific requests for each step in the legal process in order to make sure that they take no premature or unwanted actions.
2. Partial payments will be applied first to costs then to interest and finally to assessments (in the order in which the assessments were incurred).
3. Under dire circumstances, "payment plans" may be arranged. The Board of Directors (or its designee) must first approve such an arrangement in writing. The homeowner must also sign the approved payment plan.
4. A collection agency may be commissioned to collect delinquent accounts in addition to (or instead of) some or all of the above procedures.
5. CLHA is entitled to file lawsuits or obtain personal judgements against delinquent homeowners and may do so in addition to (or instead of) some or all of the above procedures.

Crystal Lake Homeowner's Association Collection Guidelines Summary

Property assessments are due on or before the first day of February of each year. Assessments are considered delinquent thirty (30) days after that date. Homeowners who are thirty (30) or more days past due shall not be entitled to vote. Neither the homeowner nor the homeowner's tenant shall be eligible to use the common areas within the boundaries of the Crystal Lake neighborhood.

Here is a summary of the collection policies and procedures for the Crystal Lake Homeowner's Association (CLHA).

All delinquent accounts shall incur simple interest from the due date at eighteen (18) percent per annum.

Event	Action
No later than January 15 of each year	CLHA sends assessment dues notice to homeowners of record
February 1st of each year or before	Homeowner pays assessment
30 days after February 1st	CLHA sends a REMINDER LETTER. Homeowner cost: \$5.00 plus postage per property.
60 days after February 1st	CLHA sends a DEFAULT LETTER. Homeowner cost: \$8.00 plus postage per property. CLHA begins accruing simple interest at 18% per annum.
15 days after the DEFAULT LETTER	CLHA sends delinquent homeowner's account to attorney. Attorney will send a DEMAND LETTER requesting full payment. Attorney notifies TRW Credit Reporting Corp. Homeowner cost: \$60.00 per property.
10 days after the DEMAND LETTER	CLHA attorney files NOTICE OF LIEN or JUDGEMENT NOTICE with the Dallas County Justice of the Peace Court. Homeowner cost: approximately \$175.00
30 days after the NOTICE OF LIEN or JUDGEMENT NOTICE	CLHA attorney posts the delinquent homeowner's property for foreclosure. Homeowner cost: Attorney fees up to \$100.00 plus expenses.
21 to 30 days after foreclosure posting	Foreclosure occurs

All costs and fees outlined above will be added to the homeowner's account.

Section 5. The business and affairs of the Association shall be managed by its Board of Directors. The Directors shall in all cases act as a board, and may adopt such rules and regulations for the conduct of meetings and management of the Association as they may deem proper. These by-laws may be amended from time to time by vote of the Board of Directors.

Section 6. At any meeting of the Board of Directors, a simple majority shall constitute a quorum for the transaction of business.

Section 7. Any or all of members of the Board of Directors may be removed for cause by a majority vote of the members attending a general membership meeting of the Association.

Section 8. In the event that a vacancy occurs in the Board of Directors, such vacancy shall be filled by a majority vote of the Directors.

Section 9. No member of the Board of Directors of the Association shall receive any form of compensation from any source in connection with the discharge of his/her duty as an officer.

Section 10. The Board of Directors shall meet at least six times each year.

Article VII. Meetings

Section 1. There shall be a general membership meeting of the Association at least twice a year. The election of the Board of Directors and the presentation of annual reports shall be held in the first half of the calendar year.

Section 2. A meeting of the general membership may be called at any time by any one of the following:

- A. The Chairperson
- B. A majority of the board of Directors
- C. A petition signed by no less than the number of members required for a quorum (50% + 1)

Section 3. Notice of any meeting of the general membership or meeting of the Board of Directors shall be given in accordance with procedures established so as to assure reasonable and sufficient notice. Notice shall state the place, date and time of the meeting and the general purpose for which the meeting is held.

Section 4. At a any meeting of the general membership for which proper notice has been given, a quorum shall be not less than one more than twice the number of voting members of the Board of Directors (example: 12 voting board members x 2 + 1 = 25).

Section 5. The Board of Directors shall appoint representatives to attend the Garland Coalition of Homeowners' Associations.

Article VIII. Proceedings

Section 1. All proceedings of meetings of the Association and its Board of Directors shall be conducted according to generally accepted practices of parliamentary procedure.

Section 2. The resolution of any internal dispute or any grievance against the Association or its Board of Directors shall be the responsibility of a mediation committee comprised of three persons elected from the general membership.

Article IX. Committees

The Board of Directors may create and appoint standing or temporary committees with such authority and responsibilities as it deems necessary for the accomplishment of the purposes of the Association. Chairpersons of standing or temporary committees shall be non-voting, ex-officio members of the Board of Directors, unless otherwise elected as a regular Board member, and shall report directly to the Board of Directors.

Article X. Dissolution

This Association may be dissolved by the same procedure as that provided for amending the by-laws. All debts of the Association must be paid and provisions made for the responsible disposition of assets.

These by-laws adopted this 17th day of November, 1997.

Acting Chairperson

Acting Secretary


