

**Lewis Park Estates  
Homeowners Association, Inc.**

**FINING POLICY**

Lewis Park Estates Homeowners Association has adopted the following Fining Policy for the enforcement of the Association's Governing Documents (to include the CC&R's, By-Laws, and Rules & Regulations):

1. **Violation Notice (Warning):** Homeowners will be notified when a violation occurs and will be given a time period of not less than ten (10) days in which to correct the violation. Violations which present hazards for residents or are damaging property or can be considered an emergency requiring immediate correction shall be subject to self-help actions by the Association as described in the Declaration of Covenants, Conditions and Restrictions (the "CCR's") should Owner fail to cure the violation. Any costs for same will be assessed to the Owner's account. \*\*The Association may, but is not obligated, to provide more than one initial notice of violation as set forth in the CCR's and this Fining Policy. Should additional violation notices be sent, each notice shall allow a period of not less than ten (10) days in which to correct the violation.\*\*
  
2. **Assessment of Fine (Hearing Notice):** If after the initial notice (or subsequent notices if given) the violation continues, the Owner will be notified that a fine will be levied against his/her account. This notice shall include the amount of the fine to be levied and shall contain verbiage pursuant to Section 209.006 of the Texas Property Code regarding an Owner's right to request a hearing before a committee (or the Board in the absence of a committee). Owner shall have thirty (30) days to request a hearing in writing from the date of notice. The Association or its Managing Agent shall set the hearing within thirty (30) days of receipt of the written request and the Owner shall be notified in writing of the hearing date, time and place not less than ten (10) days prior to the hearing date.
  
3. **"Damage Assessment":** Violations that result in property damage or cause the Association to incur cleanup costs will result in a "Special Assessment" on the homeowner's account. Non-payment of this type of assessment may result in additional fees, and collection actions as allowed by law. Any attorney fees or other costs incurred by the Association will be assessed to the Owner's account.

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## ***FINE SCHEDULE***

**Each fine notice shall contain the verbiage as listed in Section 2 below.**

- 1st Fine:** First fine for a violation not cured by the Owner after the initial fine warning notice has been given shall be \$50.00, then;
- 2<sup>nd</sup> Fine:** After one (1) week, the Board or its Managing Agent shall inspect the Owner's property for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a second fine in the amount of \$75.00 shall be assessed to the Owner's account, then;
- 3<sup>rd</sup> Fine:** After one (1) additional week, the Board or its Managing Agent shall inspect the Owner's property for compliance. If the violation remains, a letter shall be sent to the violating Owner advising that a second fine in the amount of \$100.00 shall be assessed to the Owner's account.
- 4<sup>th</sup> & After:** If compliance is not met after the end of the third week as outlined above, the Owner will receive one (1) final notice advising that fines shall escalate at the rate of \$50.00 every week for each week the violation remains until the maximum fine amount of \$500.00 is reached.

**The maximum fine amount is based on a per violation occurrence and can be assessed each time a separate violation occurs whether or not it is the same type or kind of violation.**

If Owner submits a written request for a hearing, all fines shall be suspended until after the hearing. The committee or the Board of Directors shall provide written notice to the Owner with copies to the Association and its Managing Agent which shall outline the findings and subsequent results of the hearing. The Association or its Managing Agent shall immediately proceed and comply with any instructions and/or with the findings and results as written in the notification received. If the hearing is held by a committee appointed by the Board, the Owner shall have the right to appeal the decision of the committee to the Board of Directors and the decision of the Board of Directors is final. If the hearing is held by the Board of Directors in the absence of a committee, the decision of the Board of Directors is final.

**Note:** All fines are subject to collections and will be collected in the same manner as are the association dues.

LEWIS PARK ESTATES HOMEOWNERS ASSOCIATION, INC.

PAYMENT PLAN POLICY AND  
APPLICATION OF PAYMENTS

Purpose: The purpose of this policy is to provide a uniform and consistent way to manage homeowner's requests for payment plans and to address their delinquent assessments and fees due to Lewis Park Estates, (the "Association").

It is the intention of the Board of Directors to work with homeowners to satisfy their obligation to the Association. Therefore, in an effort to assist those homeowners in the payment of their obligations to the Association, the Board of Directors has established the following policy. If the Association employs a managing agent, the managing agent shall comply with the policies set forth in this payment plan policy. The managing agent shall not be required to obtain prior approval of the Board of Directors so long as the terms and restrictions set forth are being followed. Any deviation from this policy will require prior approval of the Board.

Payment Plans:

1. The Association will allow payment plans for repayment of delinquent amounts with a minimum of three (3) months duration.
2. Terms for repayment of delinquent amounts shall not exceed twelve (12) months without Board approval.
3. Assessments that become due and are added to the homeowner's account during the term of the payment plan must be paid when due in addition to repayment of delinquent amounts. The failure of an Owner to make current assessment payments when due shall constitute default of their payment plan.
4. A one-time fee of Thirty-Five and No/100 Dollars (\$35.00) shall be charged to the Owner's account which shall serve to reimburse the Association or its Managing Agent, if applicable, for its efforts to negotiate, establish, and initiate a payment plan on behalf of the Association. This charge shall be paid by Owner and shall be due along with the first installment payment. The Managing Agent may be eligible for additional administrative fees in connection with the monthly monitoring and processing of payments during an active payment plan. This fee shall not exceed \$10.00 per month, per payment plan and shall be payable by the Owner. In the event the Association terminates its contract with the Managing Agent early, the Association shall be responsible for any unpaid outstanding fees.
5. The plan must include the total debt owed to the Association, including late fees, interest, fines and/or other collection costs as well as any amount the Association has agreed to waive as part of the agreed upon payment plan terms. No account will receive an adjustment to charges owed until and unless the agreed upon payment plan is completed. At that time, the Association or its Managing Agent will make the adjustments, if any, agreed upon at the commencement of the payment plan. Should

**the Owner default on the payment plan, no waiver shall be given and all late fees and collection fees that would have accumulated during that time shall be added to the Owner's account and shall be come due and payable immediately.**

6. There shall be no waiver of any charges on the homeowner's account unless the owner submits a written request for consideration and approval. **The Managing Agent shall have the authority to waive up to three (3) months late fees owed to the Association without Board approval. Fees owed to the Managing Agent may not be waived by the Board. Any waiver of collection or other fees owed to the Managing Agent shall be at the sole discretion of the Managing Agent.**

7. To be eligible for a payment plan, the homeowner must not have defaulted on a prior payment plan within a two (2) year period preceding the request for a payment plan. If such a default exists, the Board or its Managing Agent may, but is not obligated, to allow a payment plan. Every such request shall be reviewed and determined on a case by case basis.

8. Interest, late and/or collection charges shall not accrue during the terms of an active payment plan **so long as the Owner remains current on payments including current Assessments as they become due throughout the duration of the payment plan.** Should the Owner default on his/her payment plan, the Association and its Managing Agent shall be entitled to add any interest, late and/or collection fees due up to and through the date the Owner defaulted and forward unless the payment plan reinstates which shall be at the sole discretion of the Board of Director's or its Managing Agent. **As stated in Subsection 7 above, Owner's who default on a payment plan may not be entitled to another payment plan for a minimum of two (2) years.**

9. The plan must contain a schedule setting forth the date that each payment will be due and the exact amount of each payment to be made.

10. Payment plans approved after the account has been turned over to the Association's attorney shall be administered by the Attorney. **Attorney charges are Excluded from Sub Section 8 above and will be charged to the Owner's account.**

11. Payment plans for Owner's in foreclosure may only be approved by the Board of Directors. The payment plan may be administered by the Association's Attorney and must include the amount due as well as any terms agreed upon between the Owner and the Board with regard to settlement amounts and terms. The Managing Agent, acting on behalf of the Board of Directors, shall communicate this information to the Association's attorney for the individual payment plan request and the initial payment must be received on or before the deadline established by the Association's attorney.

Settlements: The Board of Directors will consider written offers to settle an account and may but, are not obligated to include accounts at the foreclosure stage. Settlements must be paid in certified funds and may be subject to the deadlines established by the Association's attorney. Settlement offers may not include costs owed directly to the Managing Agent without the express written consent of the Managing Agent.

Default: The Board of Directors shall herein establish criteria for determining what constitutes "default" on payment plans.

"Default" may include one or all of the following:

1. Failure of homeowner to make a payment by the proposed date in accordance with the approved payment plan.
2. Failure of homeowner to make the full amount of a payment as stated in the approved payment plan.
3. Failure of homeowner to make a timely payment of any current or additional assessments or charges that come due such as Special Assessments or Individual Assessments, during the term of the payment plan.

Should the homeowner default on a payment plan:

1. The outstanding balance shall become due and payable immediately and may require payment in certified funds. The Association and its Managing Agent shall be entitled to add any interest, late and/or collection fees due up to and through the date the Owner defaulted and forward.
2. The Managing Agent shall proceed with appropriate collection measures in accordance with the Association's Collection Policy in order to secure payment of amounts due to the Association.

Any payment received by the Association from a homeowner whose account reflects an unpaid balance and the homeowner is in default under a payment plan entered into with the Association, the payment shall be applied to the outstanding balance in the following order so long as and unless a conflict between this policy and the Texas State Property Code exists, in which case the order of application of payment shall be as set forth in the Texas State Property Code:

- 1) Cost of Collection including attorneys' fees
- 2) Special Individual Assessments, including Violation Fines (if applicable)
- 3) Late Charges
- 4) Accrued but Unpaid Interest
- 5) Other costs of Collection
- 6) Special Assessments
- 7) Annual Assessments
- 8) Any other amounts owed to the Association



A handwritten signature in cursive script that reads "Stacey Kemp".