The Villages of Westcreek Owners Association, Inc.

One-Time Late Fee Waiver Policy For HOA Assessment Accounts

1. Purpose

The purpose of this policy is to establish a fair, consistent, and transparent process for granting a **one-time waiver of one late fee** assessed to an owner's HOA assessment account.

This policy is intended to provide reasonable relief for an isolated first-time occurrence while maintaining consistent enforcement of the Association's assessment collection obligations.

2. Policy Statement

Each owner account may receive **one late fee waiver during the life of that owner's account** with the Association, provided the owner meets the eligibility requirements outlined in this policy.

The fee waiver is not to be applied automatically; Owners must submit a written request for consideration of a late fee waiver to the association.

This waiver is a courtesy administrative accommodation and shall not be interpreted as a waiver of the owner's duty to timely pay assessments, special assessments, charges, fees, or any other amounts owed to the Association.

3. Lifetime Limit

A late fee waiver under this policy is limited to:

One late fee, one time, per owner account.

Once a waiver has been granted, no additional late fee waiver shall be granted to that owner account in the future, regardless of the reason for the future late payment.

For purposes of this policy, "owner account" means the account maintained by the Association or its management company for a specific owner and property. The waiver does not reset due to a change in management company, payment method, billing cycle, board composition, or accounting system.

4. Eligibility Requirements

An owner may qualify for a one-time late fee waiver only if all of the following conditions are met:

1. The request is the first late fee waiver ever granted for that owner account.
2. The late fee was assessed on a regular or special HOA assessment.
3. The owner submits a written request for the waiver.
4. The owner has paid the underlying assessment amount in full.
5. The owner's account is otherwise brought current, except for the late fee being requested for waiver.
6. The account has not been turned over to legal counsel, collections, lien processing, or foreclosure action.
7. The owner is not currently in default under a payment plan with the Association.
8. The late payment appears to be an isolated occurrence rather than a repeated pattern of delinquency.

5. Amount Eligible for Waiver

The waiver shall apply only to **one late fee**.

Unless separately approved by the Board, this policy does not waive:

- Regular assessments
- Special assessments
- Interest
- Administrative fees
- Collection costs
- Certified mailing costs
- Attorney's fees
- Returned payment fees
- Transfer fees
- Fines or enforcement charges
- Any other charge owed to the Association

No waiver shall be granted that would conflict with Texas law, the Association's governing documents, or any existing collection agreement.

6. Written Request Requirement

The owner must submit a written request to the Association or its management company. The request should include:

- Owner name
- Property address
- Account number, if known
- Date the late fee was assessed
- Brief explanation for the late payment
- Confirmation that the owner is requesting their one-time lifetime late fee waiver

A simple statement is sufficient. The owner is not required to disclose private financial, medical, or personal information.

7. Administrative Approval Authority

The Association's management company or designated Association representative is authorized to approve a waiver request without further Board action if the request clearly meets all eligibility requirements of this policy.

This allows routine first-time waiver requests to be handled administratively and avoids unnecessary quarterly Board review of routine account matters.

8. Denial of Request

A waiver request shall be denied if:

1. The owner account has already received a previous late fee waiver.
2. The account remains delinquent after the waiver request.
3. The account is already with legal counsel, collections, lien processing, or foreclosure action.
4. The fee requested is not a late fee.
5. The request would conflict with the Association's governing documents, collection policy, or applicable law.

6. The request is incomplete and the owner fails to provide the requested information within a reasonable time.

9. Appeal to the Board

If a waiver request is denied, the owner may submit a written appeal to the Board of Directors.

The Board may review the appeal in accordance with the Association's normal procedures. However, the Board is not required to grant exceptions that would create inconsistent treatment between owners.

The Board's decision shall be final.

10. No Automatic Right or Precedent

Approval of a waiver under this policy does not create a right to future waivers and does not establish precedent for any other owner account.

Any waiver granted outside this policy must be specifically approved by the Board and documented in the Association's records.

11. Recordkeeping

The Association or its management company shall maintain a record of all approved and denied waiver requests.

The record should include:

- Owner name
- Property address
- Date of request
- Date of decision
- Amount waived, if approved
- Reason for denial, if denied
- Notation that the one-time lifetime waiver has been used

This record shall remain part of the owner account history.

12. Equal and Consistent Application

This policy shall be applied uniformly to all owner accounts. No owner shall receive special treatment based on personal relationships, Board involvement, prior disputes, community status, or any factor unrelated to the eligibility criteria in this policy.

13. Payment Processing

Payments received from an owner shall be applied in accordance with applicable law, the Association's governing documents, and the Association's collection policy. If the owner's payment does not bring the account current, the late fee waiver request may be held or denied until the account is otherwise brought current.

14. Board Reservation of Authority

The Board of Directors reserves the right to interpret, amend, suspend, or repeal this policy as necessary, consistent with the Association's governing documents and applicable law.

15. Effective Date

This policy shall become effective upon adoption by the Board of Directors and shall remain in effect until amended, repealed, or replaced.

ADOPTED by the Board of Directors of the Villages of Westcreek Owners Association, Inc. on this 18 day of June, 2024.

President, Board of Directors

Secretary, Board of Directors