



Hidden Springs Ranch Homeowners Association  
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**Exhibit B**  
**PAYMENT PLAN GUIDELINES**  
January 1, 2012

These payment plan guidelines are adopted by the Association's Board of Directors pursuant to Texas Property Code § 209.0062 (the Act).

1. Offer of Payment Plan

A payment plan will be offered upon an owner's request. A payment plan will also be offered prior to the Association sending the matter to an attorney for collection. As a general rule, this will occur when the account balance exceeds two annual assessments or is more than two months delinquent; but the Board may vary this time frame in its discretion.

2. Eligibility for Payment Plan

All owners are eligible to receive a payment plan, unless disqualified. **An owner who defaults under a payment plan will be disqualified from receiving a payment plan for two (2) years after the default.**

3. Standards

The Association will allow owners to pay delinquent regular and special assessments in payments over a period of no less than three (3) months. Payments shall be made at intervals of not more than 30 days. Payments shall be roughly equal in amount (balloon payments that defer payment of most of the debt to the end of the period are unacceptable). **The owner must also pay current assessments when due.**

4. Payment Amount

The amount of each payment, frequency of payment, and length of the payment period is up to the Board's reasonable discretion. Factors that may be considered include the length of the delinquency, the amount due, the owner's payment history, time elapsed between the Association's offer of a payment plan and owner's acceptance, the promptness with which owner acts, reason for non-payment, owner's performance on previous payment plans, violation history (to the extent it reflects owner's willingness to abide by Association rules and standards), and any other relevant circumstances. The Board of Directors may delegate to the manager or the Association's attorney the authority to set payment plan terms for an owner.

5. Owner Signature

**Every plan must be in writing and signed by the owner(s);** the owner must return a signed copy to the Association within 30 days of the date the Association sends the plan to the owner. The owner must

also provide reasonable contact and identifying information requested by the Association, and notify the Association of any change in contact information during the plan.

6. Fees and Interest

As long as the owner complies with the requirements of the plan, the Association will not charge any late fees during the plan. **The Association may charge a fee of no more than \$50.00 for preparing the plan agreement, plus a monthly administrative processing fee of \$15.00 to \$25.00,** depending on the length of the plan. In addition, if the payment plan involves a special assessment, the owner must reimburse the Association for any interest the Association must pay, or additional cost incurred, as a result of the owner not paying the special assessment when due.

7. Default

**The owner will be in default under the plan if the owner does not pay (a) the agreed installment payment on time or (b) any current assessment as it accrues.** An insufficient funds (NSF) check will be considered non-payment. If the owner defaults under the plan, the Association may demand immediate payment of the entire amount due, resume charging late fees, and refer the matter to an attorney for collection. In addition, any payments received subsequent to default will be applied to Association out-of-pocket costs, fines (if any), administrative and late fees, and assessments, in that order.

8. Appeal

The Association shall give written notice of default to the owner. The owner may appeal to the Board. Submitting an appeal does not relieve the owner from the obligation to pay past due or present assessments; and the Board may consider non-payment during the appeal period as a factor adverse to the owner's appeal. The Association shall have the right to charge a reasonable administrative fee (not to exceed \$50) for providing notice of default.

9. Modification

An owner may ask the Association to modify the payment plan. All such requests must be in writing and supported by specific reasons. A request for modification must be made within ten (10) days of the date the Association offers the payment plan to owner. If the request for modification is due to events that occur after the plan is accepted, the owner should request modification as soon as possible after the event.

10. Waiver

The Association may waive or choose not to enforce these guidelines as to one or more owners. Non-enforcement shall never be construed as an abandonment or waiver of these guidelines. No owner shall have any right to receive the same terms each time a payment plan is offered to the owner. No owner has a right to demand a plan that differs from the parameters set forth in these guidelines.

11. Temporary Relief

Payment plan is intended to provide temporary relief to alleviate immediate financial hardship. At the end of the plan, owner will be expected to resume paying assessments on the same basis as applies the Association membership in general.

12. Amendment

These guidelines may be amended from time to time by the Association's Board of Directors.

13. Legal Compliance

The Association intends to comply fully with the Act. In case of ambiguity or uncertainty, these guidelines shall be interpreted in a manner consistent with all legal requirements.