

**CERTIFICATE OF ADOPTION
OF
PRIORITY OF PAYMENTS AND ALTERNATIVE PAYMENT SCHEDULE
GUIDELINES
OF
MERRYLANDS HOMEOWNERS ASSOCIATION**

STATE OF TEXAS §
 §
COUNTY OF HARRIS § KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the Board of Directors (the "Board") of Merrylands Homeowners Association, a Texas non-profit corporation (the "Association") is charged with administering and enforcing that certain Merrylands Section One Declaration of Covenants, Conditions and Restrictions recorded in the Office of the County Clerk of Harris County, Texas, under Clerk's File No. RP-2019-124196, as may be supplemented and amended from time to time encumbering the Merrylands community (the "Community"); and

WHEREAS, Chapter 209 of the Texas Property Code was amended effective January 1, 2012, to add Sections 209.0062 and 209.0063 (collectively the "Added Sections") thereto; and

WHEREAS, the Added Sections provides that a property owners' association apply payments received in a certain order of priority (as long as the owner is not in default under a payment plan) and that a property owners' association shall adopt alternative payment schedule guidelines for delinquent accounts; and

WHEREAS, the Board has determined that in connection with providing guidelines regarding application of payments received and alternative payment schedule guidelines for delinquent accounts, it is appropriate for the Association to adopt guidelines regarding application of payments received and alternative payment schedule guidelines; and

WHEREAS, the Bylaws of the Association provide that a majority of the members of the Board shall constitute a quorum for the transaction of business and that the action of a majority of the members of the Board at a meeting at which a quorum is present is the action of the Board; and

WHEREAS, the Board held a meeting on April 4, 2019 (the "Adoption Meeting"), at which at least a majority of the members of the Board were present and duly passed guidelines regarding application of payments received and alternative payment schedule guidelines for delinquent accounts described herein below (the "Priority of Payments and Alternative Payment Schedule Guidelines").

NOW, THEREFORE, to give notice of the matters set forth herein, the undersigned, being the President of the Association, does hereby certify that at the Adoption Meeting, at least a majority of the members of the Board were present and the Board duly adopted the Priority of Payments and Alternative Payment Schedule Guidelines. The Priority of Payments and Alternative Payment Schedule Guidelines are effective on upon recordation of this Certificate in the Official Public Records of Real Property of Harris County, Texas (the "Official Public Records"), and supplement any restrictive covenants, guidelines or

policies regarding the application of payments received and alternative payment schedule guidelines for delinquent accounts which may have previously been in effect for the Community, unless such restrictive covenants, guidelines or policies are in conflict with the Priority of Payments and Alternative Payment Schedule Guidelines, in which case the terms in the Priority of Payments and Alternative Payment Schedule Guidelines will control. The Priority of Payments and Alternative Payment Schedule Guidelines are as follows:

A. PAYMENTS AND APPLICATION OF FUNDS

Partial Payments

Partial payments will not prevent the accrual of interest on the unpaid portion of the assessment. Unless an owner is making a timely payment under a payment agreement as provided for herein, an owner will still be considered delinquent upon making a partial payment.

Owner Not In Default Under Payment Agreement

If at the time the Association receives a payment from an owner, the owner is not in default under a payment agreement with the Association, the Association shall apply the payment in the following order of priority: any delinquent assessment, any current assessment, any attorneys' fees or third-party collection costs incurred by the Association associated solely with assessments or any other charge which could provide the basis for foreclosure, any attorneys' fees incurred by the Association other than those described in the immediately foregoing category, any fines assessed by the Association (if applicable), and then to any other amount owed to the Association.

Owner In Default Under Payment Agreement

If at the time the Association receives a payment from an owner, the owner is in default under a payment agreement with the Association, the Association shall apply the payment in the following order of priority: interest, attorneys' fees, and other costs of collection, and then to assessment reduction and fines (if applicable), satisfying the oldest obligations first, followed by more current obligations, in accordance with the foregoing order of priority, or in such other manner or fashion or order as the Association shall determine, in its sole discretion, provided however, in exercising its authority to change the order of priority in applying a payment, a fine assessed by the Association (if applicable) may not be given priority over any other amount owed to the Association.

B. PAYMENT AGREEMENTS FOR DELINQUENT ACCOUNTS

The Association shall make payment agreements for delinquent accounts available to an owner upon the terms and conditions set forth herein. The Association may require that the request for a payment agreement be in writing. All payment agreements must be in writing and signed by the owner. The minimum term for a payment agreement offered by the Association shall be 3 months, and the Association may not allow a payment agreement which extends more than 18 months from the date of the owner's request for a payment plan. Subject to such minimum and maximum terms, the Board shall determine the appropriate term of the payment agreement in its sole discretion. As long as the owner is not in default

under the terms of the payment agreement, the owner shall not accrue additional monetary expenses. However, the owner shall be responsible for all interest which accrues during the term thereof, as well as being responsible for the costs of administering the payment agreement. If the owner defaults under the payment agreement, the account will immediately be turned over to the attorney without any further notice to the owner. The Association shall not be required to enter into a payment agreement with an owner who failed to honor the terms of a previous payment agreement during the 2 years following the owner's default under the previous payment agreement.

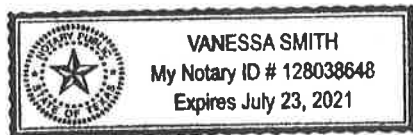
EXECUTED on the date of the acknowledgment set forth herein below, to be effective upon recordation in the Official Public Records.

Merrylands Homeowners Association,
a Texas non-profit corporation

By: LSB
Louis Trapolino, President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on April 4, 2019, by Louis Trapolino, President of Merrylands Homeowners Association, a Texas non-profit corporation, on behalf of said entity.



Vanessa Smith
Notary Public, State of Texas

WHEN RECORDED, RETURN TO:

Mark K. Knop
Hoover Slovacek LLP
Galleria Tower II
5051 Westheimer Rd., Suite 1200
Houston, Texas 77056

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e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
DIANE TRAUTMAN
COUNTY CLERK
Fees \$24.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.
THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Diane Trautman

COUNTY CLERK
HARRIS COUNTY, TEXAS

RP-2019-142361