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**CERTIFICATE OF ADOPTION  
OF  
PRIORITY OF PAYMENTS AND ALTERNATIVE PAYMENT SCHEDULE  
GUIDELINES  
OF  
LAKE LIVINGSTON VILLAGE IMPROVEMENT ASSOCIATION, INC.**

STATE OF TEXAS  
COUNTY OF POLK

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KNOW ALL PERSONS BY THESE PRESENTS:

**WHEREAS**, the Board of Directors (the "Board") of Lake Livingston Village Improvement Association, Inc., a Texas non-profit corporation (the "Association") is charged with administering and enforcing that certain Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section One recorded in the Office of the County Clerk of Polk County, Texas, under Volume 506, Page 453; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Two recorded in the Office of the County Clerk of Polk County, Texas, under Volume 560, Page 699; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Three recorded in the Office of the County Clerk of Polk County, Texas, under Volume 566, Page 636; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Four recorded in the Office of the County Clerk of Polk County, Texas, under Volume 571, Page 99; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Five recorded in the Office of the County Clerk of Polk County, Texas, under Volume 591, Page 404; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Six recorded in the Office of the County Clerk of Polk County, Texas, under Volume 560, Page 711; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Sections Seven, Eight, Nine, Ten and Eleven recorded in the Office of the County Clerk of Polk County, Texas, under Volume 599, Page 192; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Twelve recorded in the Office of the County Clerk of Polk County, Texas, under Volume 599, Page 181; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Thirteen recorded in the Office of the County Clerk of Polk County, Texas, under Volume 621, Page 428; Declaration of Covenants, Conditions and Restrictions of Lake Livingston Village, Section Fourteen recorded in the Office of the County Clerk of Polk County, Texas, under Volume 704, Page 568; as may be supplemented and amended from time to time encumbering the Lake Livingston Village 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 "New Sections") thereto; and

**WHEREAS**, the New 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 NOVEMBER 20, 2021 (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 upon recordation of this Certificate in the Official Public Records of Real Property of Polk 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.

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:

1. Delinquent assessment;
2. Current assessment;
3. **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;**
4. Attorneys' fees incurred by the Association other than those described in the immediately foregoing category;
5. **Fines assessed by the Association;**
6. 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 reserves the right to apply the payment in the following order of priority:

1. Interest;
2. Attorneys' fees, and other costs of collection;
3. Assessment reduction, satisfying the oldest obligations first, followed by more current obligations; and
4. Fines.

The Association may apply payments 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 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. Subject to such minimum term, 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. The Association is not required to allow an owner to enter into a payment plan more than once in any 12-month period.

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

Lake Livingston Village Improvement Association, Inc.,  
a Texas non-profit corporation

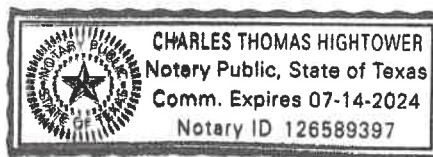
By:

  
Howard Vernon Moody, President

THE STATE OF TEXAS     §  
                                          §  
COUNTY OF POLK         §

This instrument was acknowledged before me on Nov. 23, 2021, by Howard Vernon Moody, President of Lake Livingston Village Improvement Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

*Charles T. Hightower*  
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Notary Public, State of Texas



**WHEN RECORDED, RETURN TO:**

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

FILED FOR RECORD  
2021 NOV 23 PM 2:15

*Schelana Hock*  
SCHELANA HOCK  
POLK COUNTY CLERK

STATE OF TEXAS }  
COUNTY OF POLK } *KCP*  
I, SCHELANA HOCK hereby certify that the instrument was FILED in the file number sequence on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records in Volume and Page of the named RECORDS OF Polk County, Texas as stamped hereon by me.

NOV 23 2021



*Schelana Hock*  
COUNTY CLERK  
POLK COUNTY, TEXAS