

INDIAN OAKS HOMEOWNER'S ASSOCIATION

PAYMENT PLAN GUIDELINES POLICY AND APPLICATION OF PAYMENTS SCHEDULE

WHEREAS, Indian Oaks Homeowner's Association (the "Association") constitutes a property owners association under the provisions of Chapter 209 of the Texas Property Code (the "Code") and is composed of fifteen (15) or more lots;

WHEREAS, Section 209.0062 of the Code requires the Association to adopt reasonable guidelines that establish an alternative payment schedule by which a member of the Association may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties;

WHEREAS, Section 209.0063 of the Code requires payments made to the Association by its members be applied to a member's account in a particular order of priority, unless such member is in default of a payment plan entered into with the Association;

WHEREAS, the Board of Directors of the Association (the "Board") desires to adopt payment plan guidelines as required under Section 209.0062 of the Code and an application of payments schedule in conformity with Section 209.0063 of the Code.

NOW, THEREFORE, the Board hereby adopts this Payment Plan Guidelines Policy (the "Policy") and Application of Payments Schedule, as set forth below.

PAYMENT PLAN GUIDELINES

1. Eligibility for Payment Plan

Subject to the terms of this Policy, a member of the Association who is delinquent in the payment of any regular or special assessments, or any other amounts owed to the Association, including costs of collection incurred by the Association (hereinafter referred to collectively as the "Assessment Delinquency"), shall be entitled to enter into a payment plan agreement with the Association that allows such member to pay the Assessment Delinquency in installment payments without incurring additional monetary penalties (hereinafter referred to as a "Payment Plan Agreement"). Each such Payment Plan Agreement shall be in accordance with the terms of these Payment Plan Guidelines and the requirements of Section 209.0062 of the Code.

Notwithstanding the foregoing, or any provision herein to the contrary, a member of the Association shall be ineligible to pay his or her Assessment Delinquency under a Payment Plan Agreement if such member has failed to honor the terms of a previous Payment Plan Agreement with the Association and it has been less than two (2) years since the member's default under the previous Payment Plan Agreement.

2. *Payment Plan Administrative Charges and Interest*

In addition to the Assessment Delinquency, a member of the Association who enters into a Payment Plan Agreement shall be required to pay to the Association reasonable costs associated with preparing the Payment Plan Agreement and administering the member's compliance with the Payment Plan Agreement (hereinafter referred to collectively as the "Payment Plan Administrative Charges"). A member of the Association who enters into a Payment Plan Agreement with the Association shall also be required to pay all interest due and payable on the member's Assessment Delinquency in accordance with applicable provisions of the Association's governing documents, which shall continue to accrue on the Assessment Delinquency during the term of Payment Plan Agreement.

3. *Available Payment Plan Schedules*

The Association has established three alternative installment payment plan schedules (each hereinafter referred to as a "Repayment Schedule"). Any member of the Association who is eligible to enter into a Payment Plan Agreement with the Association shall be entitled to select from any of the Repayment Schedules that he or she qualifies for, which shall be based on the total amount of the Assessment Delinquency owed by the member at the time the Payment Plan Agreement is entered into. The three available Repayment Schedules are as follows:

(a) *Three-Month Repayment Schedule:*

Any member who owes the Association an Assessment Delinquency totaling \$150 or less shall be qualified to select the Three-Month Repayment Schedule. Under the Three-Month Repayment Schedule, the member shall pay the Assessment Delinquency, plus any Payment Plan Administrative Charges and accrued interest, in equal monthly installments over a period of three (3) months.

(b) *Six-Month Repayment Schedule:*

Any member who owes the Association an Assessment Delinquency totaling \$151-\$300 shall be qualified to select either the Three-Month Repayment Schedule or the Six-Month Repayment Schedule. Under the Six-Month Repayment Schedule, the member shall pay the Assessment Delinquency, plus any Payment Plan Administrative Charges and accrued interest, in equal monthly installments over a period of six (6) months.

(c) *Nine-Month Repayment Schedule:*

Any member who owes the Association an Assessment Delinquency totaling \$301 or more shall be qualified to select either the Three-Month Repayment Schedule, the Six-Month Repayment Schedule, or the Nine-Month Repayment Schedule. Under the Nine-Month Repayment Schedule, the member shall pay the Assessment Delinquency, plus

any Payment Plan Administrative Charges and accrued interest, in equal monthly installments over a period of nine (9) months.

4. *Payment Plan Agreement*

Each Payment Plan Agreement shall be evidenced in writing and executed by both the member and a duly authorized representative of the Association. The Payment Plan Agreement shall specify the total amount of the Assessment Delinquency owed to the Association as of the date of the Payment Plan Agreement, the total amount of the Payment Plan Administrative Charges and interest to be paid under the Payment Plan Agreement, and the term of the Repayment Schedule.

5. *Default of Payment Plan Agreement*

Each payment due under the Payment Plan Schedule shall be due and payable to the Association on or before the first (1st) day of each month during the term of the Payment Plan Agreement. Time is of the essence with respect to payments under a Payment Plan Agreement, and the obligation to pay each monthly payment on or before the first (1st) day of each month must be strictly complied with. If a monthly payment made pursuant to a Payment Plan Agreement is returned for insufficient funds and/or if a payment is received after the due day thereof, it shall constitute a material breach of the Payment Plan Agreement. In such event, all unpaid amounts subject to the Payment Plan Agreement shall automatically, without any further notice from the Association, be accelerated and shall be immediately due and payable in full to the Association.

In such event, the member shall be considered in default of the Payment Plan Agreement until he or she pays the full amount of the accelerated Assessment Delinquency, Payment Plan Administrative Charges, and accrued interest subject to the Payment Plan Agreement to the Association (the "Payment Plan Default Period"). In addition, the defaulting member shall be liable for all costs of collection, including attorney's fees, incurred by the Association to collect any remaining unpaid amounts subject to the Payment Plan Agreement, which shall be added to and included within the Assessment Delinquency that must be paid by the defaulting member to the Association under such Payment Plan Agreement. Any Payments received by the Association from a member of the Association who is in default under a Payment Plan Agreement with the Association during a Payment Plan Default Period shall be applied to the member's debt or account in the following order of priority:

- (1) any attorney's fees or third-party collection costs incurred by the Association in connection with collection of the member's debt;
- (2) any other fees and expenses reimbursable to the Association in connection with collection of the member's debt;

- (3) any late charges and interest due by the member;
- (4) any past-due delinquent assessments (beginning with the oldest);
- (5) any current assessments;
- (6) any other amount owed to the Association (excluding fines); and
- (7) any fines assessed by the Association.

APPLICATION OF PAYMENTS SCHEDULE

In accordance with the terms of Section 209.0063 of the Code, except for payments made to the Association by members who are in default under the Payment Plan Agreement with the Association (as provided above), a payment received by the Association from a member shall be applied to the member's account in the following order of priority:

- (1) any delinquent assessments (beginning with the oldest);
- (2) any current assessments;
- (3) any reasonable attorney's fees or reasonable third-party collection costs incurred by the Association associated solely with collection of unpaid assessments or any other charge that could provide the basis for foreclosure of the Association's assessment lien;
- (4) any reasonable attorney's fees incurred by the Association that are not associated solely with collection of unpaid assessments or that do not provide a basis for foreclosure of the Association's assessment lien;
- (5) any reasonable fines assessed by the association; and
- (6) any other reasonable amount owed to the Association.

CERTIFICATION

IN WITNESS WHEREOF, the undersigned, Suellen Lindsey, as the duly elected, qualified, and acting President of Indian Oaks Homeowner's Association, hereby certifies on behalf of the Association that this Payment Plan Guidelines Policy and Application of Payments Schedule was duly adopted by the Board of Directors of the Association at a meeting of the Board held on _____, 2023, and shall take effect upon its recording in the Official Public Records of Hunt County, Texas.

**INDIAN OAKS HOMEOWNER'S
ASSOCIATION**

BY: Suellen Lindsey
ITS: President

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2023,
by Suellen Lindsey, President of Indian Oaks Homeowner's Association, on behalf of Indian
Oaks Homeowner's Association.

Notary Public, State of Texas