

Payment Plan & Applied Payment Policy

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

WHEREAS the Board of Directors of the Bakers Branch Estates Homeowners' Association, Inc. . (the "Board") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants and Restrictions for Bakers Branch recorded under Denton County Clerk's Index Number 2002-R0012423 in the Land Records of Denton County, Texas, and any and all supplements thereof and amendments thereto (referred to collectively as "Declaration"); and

WHEREAS chapter 209 of the Texas Property Code was amended effective January 1, 2012, to add Section 209.0062 ("Section 209.0062") thereto regarding alternative payment schedules for assessments ("Payment Plans"); and

WHEREAS, the Board of Directors ("Board") of the Association desires to establish a policy for Payment Plans consistent with Section 209.0062 and to provide clear and definitive guidance to property owners.

NOW, THEREFORE, the Board has duly adopted the following *Payment Plan and Applied Payment Policy*.

Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:

- a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the association.
- b. An Alternative Payment Schedule will not be made available, except in the sole discretion of the Board, to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner's default of such Alternative Payment Schedule.
- c. During the course of an Alternative Payment Schedule, additional monetary penalties related to the delinquency, other than reasonable costs associated with administering the Alternative Payment Schedule and interest, shall not be charged against an owner.
- d. The minimum term for an Alternative Payment Schedule is three months from the date of the owner's request for an Alternative Payment Schedule. The maximum term for an Alternative Payment Schedule is eighteen months from the date of the owner's request for an Alternative Payment Schedule.
- e. All other terms of an Alternative Payment Schedule are at the discretion of the Board.
- f. All payments received will be applied in the following order:
 - a. Delinquent assessments
 - b. Current assessments

- c. Attorney fees or third party collection costs incurred by HOA
- d. Fines
- e. Other amounts
- f. Exception: If when owner submits a payment, they are in default under a payment plan, the Board is not required to follow the above-described application schedule. However, fines cannot be given priority over any other amount owed under any circumstance.