

**LAKWOOD PARK TWO HOMEOWNERS ASSOCIATION, INC.
AMENDED PAYMENT PLAN POLICY**

STATE OF TEXAS
COUNTY OF HARRIS

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KNOW ALL PERSONS BY THESE PRESENTS:

The LAKWOOD PARK TWO HOMEOWNERS ASSOCIATION, INC. (“Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of the community (referred to collectively as “Declarations”); and

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

To provide clear and definitive guidance to owners, the Board of Directors of the Association (“Board”) establishes the following policy for Payment Plans consistent with the Texas Property Code, Section 209.0062.

The Board has duly adopted the following *Payment Plan Policy*.

Who is entitled to a payment plan:

1. Subject to the Section entitled “Consequences of a Default” below, owners are entitled to enter into a payment plan to make monthly payments for delinquent amounts owed to the Association under a Payment Plan in compliance with this Policy.
2. An Owner who has defaulted on a payment plan within the past two years is not entitled to a payment plan.
3. The Association is not required to make a payment plan available after the period for cure described by Section 209.0064(b)(3) of the Texas Property Code expires.
4. An Owner is not entitled to into a payment plan more than once in any 12 month period.

Payment Plan Requirements:

5. All Payment Plans must be in writing and signed by the owner.
6. Late fees will be not be added to the owner’s account while the Payment Plan is active and not in a state of default. A Payment Plan is in a state of default if any installments are late, missing, or any terms of the payment plan not adhered to. Any related fees for any reminders or notices of potential default will be an additional administrative fee to the owner’s account. The Association is not obligated to send reminder letters or notices of default.
7. A Payment Plan must include sequential monthly payments. The total of all proposed payments must equal the current balance plus Payment Plan administrative fees, plus the estimated accrued interest.

8. If an owner requests a Payment Plan that will extend into the next assessment cycle, the owner will be required to pay future assessments by the regular due date of the upcoming assessment in addition to the payments specified in the Payment Plan.

Administrative Fee

9. The Association will impose a fee for administering a Payment Plan. The fee will be listed on the Payment Plan form and may change from time to time. The current administrative fee is listed below in paragraph 10. Interest at the rate of 10% per annum will continue to accrue during a Payment Plan as allowed under the Declarations. The Association can provide an estimate of the amount of interest that will accrue under any proposed plan.

Payment Plan Duration and Effective Date:

10. A Payment Plan may be as short as three (3) months and as long as eighteen (18) months based on the guidelines below. The minimum number of months a payment plan may be offered by law is three months. The Association is not required to allow a payment plan for any amount that extends more than 18 months. The durations listed below are provided as guidelines to assist owners in submitting a Payment Plan.

Balance	Down Payment	Number of Monthly Installments	Administrative Fee
\$850.00 and below	25%	3 months	\$50.00
\$850.01 to \$1500.00	25%	6 months	\$100.00
\$1,500.01 to \$3,000.00	25%	9 months	\$150.00
Any amount greater than \$3,000.01	25%	10 to 18 months. Requires proof of financial hardship and up to Board's discretion.	\$300.00

11. The Payment Plan becomes effective and is designated as “active” upon:
 - a. receipt of a fully completed and signed Payment Plan form; and/or
 - b. receipt of the first payment under the plan; and
 - c. acceptance by the Association as compliant with this Policy.

Terms of Default and Reinstatement:

12. If an owner defaults on the terms of the Payment Plan, the Payment Plan will be voided and defaulted. The Association may, but is not required to, provide written notice to the owner that the Payment Plan has been defaulted. It is considered a default of the Payment Plan, if the owner:
 - a. fails to return a signed Payment Plan form with the initial payment; or
 - b. misses a payment due in a calendar month; or
 - c. makes a payment for less than the agreed upon amount; or

- d. if a Payment Plan which spans additional assessment cycles, the owner fails to pay a future assessment by its the due date.

Default under item “a.” above cannot be waived. In the absolute discretion of the Association, the Association may waive default under items “b.”, “c.” or “d.” above if the owner makes up the missed or short payment on the immediate next calendar month payment. The Association may, but has no obligation to, provide notice to the owner of the missed or short payment.

- 13. Default may be cured by:
 - a. paying the entire past due or delinquent amounts in full plus any suspended fees before the association pursues further collection action; or
 - b. If all missed payments are made up at the time the owner submits a written request for reinstatement, on a case-by-case basis, the Association may agree, but has no obligation, to reinstate a defaulted Payment Plan once during the original duration of the Payment Plan.
- 14. A payment plan remains in default if the default is not cured pursuant to the paragraph above. A payment plan that is not reinstated remains in default.

Consequences of Default:

- 15. If a Payment Plan is defaulted, the full amount due by the owner shall immediately become due. The Association will resume the process for collecting amounts owed using all remedies available under the Declarations and the law.
- 16. The Association has no obligation to accept a Payment Plan from any owner who has defaulted on the terms of a Payment Plan within the last two (2) years.
- 17. The Association may apply payments made while the plan is in default in the following manner:
 - a. Attorney’s Fees;
 - b. Then Interest;
 - c. Then Collection Costs;
 - d. Then Delinquent Assessments;
 - e. Then Current Assessments; and
 - f. Lastly, Fines.

3rd Party Collection Fees:

- 18. Any property owner who requests a payment plan after their account has been turned over to the Association’s Attorney for collection will be subject to legal fees. If a Payment Plan is to be administered or implemented through the Association’s Attorney, the Attorney may charge a fee for drafting, implementing and administering the payment plan.

This Policy is effective upon recordation in the Public Records of Harris County, and supersedes any policy regarding alternative payment schedules which may have previously been in effect. Except as affected by

Section 209.0062 and/or by this Policy, all other provisions contained in the Declarations or any other dedicatory instruments of the Association shall remain in full force and effect.

I, the undersigned, being he or she Secretary of Lakewood Park Two Homeowners Association, Inc., hereby certify that the foregoing resolution was adopted by at least a majority of the Association's Board of Directors. Approved and adopted by the Board on this _____ day of _____ 2017.

_____, Secretary of
LAKEWOOD PARK TWO HOMEOWNERS
ASSOCIATION, INC.

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, the undersigned authority, on this day personally appeared _____, Secretary of LAKEWOOD PARK TWO HOMEOWNERS ASSOCIATION, INC., a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this _____ day of _____, 2017.

Notary Public, State of Texas

Printed Name

My commission expires: _____