

# **EL DORADO PROPERTY OWNERS ASSOCIATION, INC.**

## **PAYMENT PLAN GUIDELINES POLICY AND APPLICATION OF PAYMENTS SCHEDULE**

**WHEREAS**, El Dorado Property Owners 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. A "Member eligible for a payment plan agreement" shall be a Member of the Association currently 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"):
  - a. who has not incurred an Assessment Delinquency previously, or
  - b. who has failed to honor the terms of a previous payment plan to resolve an Assessment Delinquency, but over two years have elapsed since such default.
2. Subject to the terms of this Policy, a "member eligible for a payment plan agreement" shall be permitted 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").
3. The Association is not required to enter into a payment plan agreement with a member who is not a "member eligible for a payment plan agreement". In the event

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that such a member makes a request for a payment plan agreement subject to the terms of this Policy, the Association may refuse to grant the request and specifically reserves the right to so refuse.

4. Payment Plan Agreements shall be in accordance with terms of these Payment Plan Guidelines and the requirements of Section 209.0062 of the Code.
5. Payment Plan Agreements shall include the following amounts (collectively, "Payment Plan Agreement Amounts"):
  - a. The Assessment Delinquency,
  - b. "Payment Plan Administrative Charges", which shall be limited to the reasonable costs associated with:
    - i. Preparing the Payment Plan Agreement,
    - ii. Administering the member's compliance with the Payment Plan Agreement
  - c. Any interest, as provided by the applicable provisions of the Association's governing documents, that:
    - i. May have accrued on the Assessment Delinquency
    - ii. May accrue on the Assessment Delinquency during the term of Payment Plan Agreement.
6. The repayment period under a Payment Plan Agreement shall be:
  - a. Not less than four (4) months, and
  - b. Not more than twelve (12) months
7. The Association has established three installment payment plan schedules (each, hereinafter referred to as a "Repayment Schedule"):
  - a. Where the Assessment Delinquency is \$400 or less, the Payment Plan Agreement Amounts shall be paid in equal monthly installments over a consecutive four (4) month repayment period.
  - b. Where the Assessment Delinquency is in excess of \$400 but not more than \$800, the Payment Plan Agreement Amounts shall be paid in equal monthly installments over a consecutive eight (8) month repayment period.
  - c. Where the Assessment Delinquency is in excess of \$800, the Payment Plan Agreement Amounts shall be paid in equal monthly installments over a consecutive twelve (12) month period.

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- d. The member may make payments in advance of the Repayment Schedule at any point during his or her Payment Plan Agreement's repayment period.
8. Each Payment Plan Agreement shall be evidenced in writing and executed by both the member and a duly authorized representative of the Association.
9. The Payment Plan Agreement shall specify the:
  - a. Total amount of the:
    - i. Assessment Delinquency
    - ii. Payment Plan Administrative Charges
    - iii. Interest to be paid under the Payment Plan Agreement,
  - b. Term of the Repayment Schedule.
10. Each payment due under any Repayment Schedule shall be due and payable to the Association on or before the first (1<sup>st</sup>) day of each month during the term of the Payment Plan Agreement.
11. Time is of the essence with respect to the making of payments under a Payment Plan Agreement and where the member strictly complies with the obligation to pay each monthly payment on or before the first (1<sup>st</sup>) day of each month that each payment is due, such payments will be considered "timely" when made.
12. A material breach of the Payment Plan Agreement shall occur where a Member's payment is:
  - a. Not tendered,
  - b. Returned for insufficient funds,
  - c. Received after the due date thereof, and/or
  - d. Is less than the amount specified by the Repayment Schedule
13. In the event of such material breach, all unpaid payment Plan Agreement Amounts shall automatically, without any further notice from the Association, be accelerated and shall be immediately due and payable in full to the Association.
14. Upon acceleration, the member shall be considered in default of the Payment Plan Agreement until he or she pays:
  - a. All unpaid Payment Plan Agreement Amounts
  - b. Any costs of collection, including attorney's fees, incurred by the Association to collect the unpaid Payment Plan Agreement Amounts

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**APPLICATION OF PAYMENTS SCHEDULE**

1. Timely Payment Plan Agreement payments shall be applied to the member's debt or account in the following order of priority:
  - a. any delinquent assessments (beginning with the oldest);
  - b. any current assessments;
  - c. any attorney's fees or 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;
  - d. any 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;
  - e. any fines assessed by the Association; and
  - f. any other amount owed to the Association.
2. Payments received after the occurrence of a Payment Plan Agreement default shall be applied to the member's debt or account in the following order of priority:
  - a. any attorney's fees or third-party collection costs incurred by the Association in connection with collection of the member's debt;
  - b. any other fees and expenses reimbursable to the Association in connection with collection of the member's debt;
  - c. any late charges and interest due by the member;
  - d. any past-due delinquent assessments (beginning with the oldest);
  - e. any current assessments;
  - f. any other amount owed to the Association (excluding fines); and
  - g. any fines assessed by the Association.

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**CERTIFICATION**

IN WITNESS WHEREOF, the undersigned, Helen Jungemann, as the duly elected, qualified, and acting Secretary of El Dorado Property Owners Association, Inc. a Texas nonprofit corporation, hereby certifies on behalf of the Association that this Document Retention Policy was duly adopted by the Board of Directors of the Association at a meeting of the Board held on April 20, 2013, and shall take effect upon its recording in the Official Public Records of Franklin County, Texas.

El Dorado Property Owners Association, Inc.,  
a Texas Nonprofit Corporation

\_\_\_\_\_  
BY: Helen Jungemann  
Its: Secretary

THE STATE OF TEXAS           §

COUNTY OF FRANKLIN       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2013, by Helen Jungemann, Secretary of El Dorado Property Owners Association, Inc., a Texas nonprofit corporation.

[SEAL]

\_\_\_\_\_  
Notary Public Signature

AFTER RECORDING PLEASE RETURN TO:

Dan Schmeling, President  
El Dorado Property Owners Association, Inc.  
P.O. Box 103  
Scroggins, Texas 75480