

PAYMENT PLAN POLICY
for
SUNSET HILLS ESTATES HOMEOWNERS ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF WASHINGTON §

I, Cale Kobza, President of Sunset Hills Estates Homeowners Association, Inc. (the "Association"), do hereby certify that in the open session of a properly noticed meeting of the Board of Directors of the Association (the "Board") duly called and held on the 4 day of August, 2022, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Payment Plan Policy was duly approved by a majority vote of the members of the Board:

RECITALS:

1. The Texas Property Code, Section 209.0062, requires property owners' associations to adopt reasonable guidelines to establish an alternative payment schedule by which an Owner may make partial payments for delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties.
2. The Board of Directors of the Association desires to adopt a payment plan policy consistent with Section 209.0062 of the Texas Property Code.

POLICY:

It is the policy of the Association to provide an alternative payment schedule by which an Owner may make payments to the Association for delinquent regular or special assessments or other amounts owed to the Association without accruing additional monetary penalties, as follows:

1. **Applicability.** This policy only applies to delinquent regular assessments, special assessments or other amounts owed to the Association prior to the debt being turned over to a "collection agent" as that term is defined by Section 209.0064 of the Texas Property Code.
2. **Term.** The term for a payment plan offered by the Association will be a minimum of three (3) months and a maximum of six (6) months. The maximum period for a payment plan may be extended if the Board of Directors determines, in its sole judgment, that hardship conditions exist necessitating a longer payment plan period.
3. **Payment Plan Agreement.** The Owner is obligated to execute a payment plan agreement ("Payment Plan Agreement") which sets forth the total amount to be paid, the term of the payment plan, the due date for and amount of each payment, and the address to which payments are to be mailed or delivered. A payment plan is not effective until the Owner executes the required Payment Plan Agreement.

4. **Sums Included in Plan.** The payment plan will include all delinquent regular and/or special assessments and other sums owed to the Association as of the effective date of the Payment Plan Agreement. The payment plan will not include any assessments which have not become due and payable to the Association as of the effective date of the Payment Plan Agreement. The Payment Plan Agreement may provide that any assessments or other valid charges that become due and payable to the Association per the dedicatory instruments of the Association during the term of the payment plan must be paid in a timely manner.

5. **Grace Period.** There will be a grace period of three (3) business days from the due date for a payment. If a payment is not received at the address set forth in the Payment Plan Agreement by the close of business on the third (3rd) business day following the date on which the payment is due, the Owner will be deemed to be in default of the Payment Plan Agreement.

6. **Administrative Costs and Interest.** The Association may add to the delinquent assessments and other amounts owed to the Association to be paid in accordance with the Payment Plan Agreement, the higher of: (a) \$30.00 for the preparation of a payment plan and \$10.00 for processing each payment on the payment plan; or (b) the actual cost charged to the Association by the Association's management company/managing agent for preparing the payment plan and processing each payment on the payment plan. During the term of the payment plan, interest at the rate provided in the Declaration will continue to accrue on delinquent assessments.

7. **Monthly Penalties.** During the term of the payment plan, the Association may not impose any monetary penalties with respect to the delinquent assessments and other charges included in the payment plan, except as provided in Section 6. Monetary penalties include, by way of example and not in limitation, late charges.

8. **Default.** If an Owner fails to make a payment to the Association by the end of the grace period applicable to the due date for that payment, the Owner will be in default of the Payment Plan Agreement, at which point the Payment Plan Agreement will automatically become void. The Association may notify the Owner that the Payment Plan Agreement is void as a result of the Owner's default, but notice to the Owner is not a prerequisite for the Payment Plan Agreement to become void. If the Association receives a payment after the expiration of the grace period and before the Association notifies the Owner that the Payment Plan Agreement is void, the Association may accept the payment and apply it to the Owner's account. The acceptance of a payment made by an Owner after the Payment Plan Agreement has become void does not reinstate the Payment Plan Agreement.

9. **Owners Not Eligible for a Payment Plan.** The Association is not required to enter into a payment plan with an Owner who failed to honor the terms of a previous payment plan during the two (2) years following the Owner's default under the previous payment plan. The Association is not required to make a payment plan available to an Owner after a notice in accordance with Section 209.0064(b)(3) has been sent to the Owner and the period in that notice has expired. Finally, the Association is not required to allow an Owner to enter into a payment plan more than once in any twelve (12) month period.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Payment Plan Policy was approved by a majority vote of the Board of

Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Washington County, Texas.

SUNSET HILLS ESTATES HOMEOWNERS ASSOCIATION, INC.

By: [Signature]
Cale Kobza, President

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BEFORE ME, the undersigned notary public, on this 4 day of August, 2022 personally appeared Cale Kobza, President of Sunset Hills Estates Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

[Signature]
Notary Public in and for the State of Texas

