

**PAYMENT PLAN POLICY OF
SUFFOLK CHASE HOMEOWNERS ASSOCIATION, INC.**

1.1 Effective Date

Notwithstanding any language to the contrary and regardless of the date of adoption of these Bylaws, the effective date of this Policy is January 1, 2014.

1.2 Eligibility for Payment Plan

An Owner is eligible for a Standard Payment Plan *only if*:

- (a) The Owner has not defaulted under a prior payment plan with the Association in the preceding 24-month period;
- (b) The Owner requests a payment plan no later than thirty (30) days after the Association sends notice to the Owner via certified mail, return receipt requested under Property Code §209.0064 notifying the Owner of the amount due, providing 30 days for payment, and describing the options for curing the delinquency. The Owner is responsible for confirming that the Association has received the Owner's request for a payment plan within the 30-day period. It is recommended that requests be in writing; and
- (c) The Association receives the executed Standard Payment Plan and the first payment within fifteen (15) days of the Standard Payment Plan being sent via email, fax, mail, or hand-delivered to the Owner.

An Owner who is NOT eligible for a Standard Payment Plan may still request that the Association's Board grant the owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the debt (the property manager or the Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Board.

1.3 Standard Payment Plan

The terms and conditions for a Standard Payment Plan are as follows:

- (a) **Term.** Standard Payment Plans are for a term of nine (9) months (subject to the Board's discretion under Section 1.6).
- (b) **Payments.** Payments will be made at least monthly or quarterly and in approximately equal amounts, or, alternatively, the initial payment may be larger with smaller subsequent payments. Payments must be received by the Association at the designated address by the required payment dates, and may not be rejected, returned or denied by the Owner's bank for any reason. Provided the Owner is not in default under the payment plan, payments will be applied to the amounts owed in the following order: (i) firstly to delinquent assessments; (ii) secondly to current assessments; (iii) thirdly to attorney's fees; (iv) fourthly to fines; and (v) lastly, any other amounts owed.
- (c) **Assessments and Other Amounts Coming Due.** The Owner must stay current on all additional assessments and other charges posted to the Owner's account during the term of the payment plan, which amounts may be, but are not required to be, included in calculating the payments due under the plan.
- (d) **Additional Charges.** The Owner is responsible for reasonable charges related to negotiating, preparing and administering the payment plan, and for interest at the rate of

ten percent (10%) per annum, all of which shall be included in calculating the total amount due under the payment plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the Owner is complying with all terms of a payment plan.

- (e) **Contact Information.** The owner must provide relevant contact information and keep the same up-to-date.
- (f) **Additional Conditions.** The Owner will comply with such additional conditions under the plan as are contained in the payment plan agreement.
- (g) **Default.** The Owner will be in default under the payment plan if the Owner fails to comply with any requirements of these Bylaws or the payment plan agreement.

1.4 Account Sent for Collection

An Owner does not have the right to a Standard Payment Plan after the 30-day period referred to in Section 1.2(b). Once the Owner's account is sent to an attorney or agent for collection, the delinquent Owner must communicate with that attorney or agent to arrange for payment of the debt. The decision to grant or deny the Owner an alternate payment plan, and the terms and conditions of any such plan, is solely at the discretion of the Board.

1.5 Default

If the Owner defaults under any payment plan, the Association may proceed with any collection activity authorized under the Declaration or State law. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice.

Any payments received during the time when an Owner is **in default** under any payment plan may be applied to out-of-pocket costs (including attorneys' fees for administering the plan), administrative and late fees, assessments, and fines (if any), in any order determined by the Board, except that fines will not be given priority over any other amount owed but may be satisfied proportionately (for example, a \$100 payment may be applied proportionately to all amounts owed, in proportion to the amount owed relative to other amounts owed).

1.6 Board Discretion

The Board may vary the obligations imposed on Owners under these Bylaws on a case-by-case basis, including curtailing or lengthening the payment plan terms (so long as the term of the plan is between 3 and 18 months) and adjusting the total amount owed, as it may deem appropriate and reasonable. The term length set forth in Section 1.3 shall be the default term length absent Board action setting a different term length. No such action shall be construed as a general abandonment or waiver of these Bylaws, nor vest rights in any other Owner to receive a payment plan at variance with the requirements set forth in these Bylaws.

1.7 Legal Compliance

This Policy is intended to comply with the relevant requirements established under Texas property Code §209. In case of ambiguity, uncertainty, or conflict, this Policy shall be interpreted in a manner consistent with all such legal requirements.

CERTIFICATION


IN WITNESS WHEREOF, we, being all of the Directors of Suffolk Chase Homeowners Association, Inc., have hereunto set our hands this 17 day of March, 2014.



[David Harris, President]



[Nick Palermo, Vice President]



[Jose De La Rosa, Secretary/Treasurer]