

**MCKENDREE PARK COMMUNITY ASSOCIATION, INC.**  
**BILLING POLICY AND PAYMENT PLAN GUIDELINES**

STATE OF TEXAS                   §  
   §  
COUNTY OF HARRIS           §

WHEREAS, the Declaration of Protective Covenants ("Declaration") of McKendree Park Community Association, Inc. ("Association"), a Texas non-profit corporation, grants the authority to the Board of Directors ("the Board") to establish a budget, set the amount of the assessments, and adopt a procedure to bill and collect assessments and other charges of the Association; and

WHEREAS, pursuant to Chapter 209 of the Texas Property Code, the Board of the Association hereby adopts these Guidelines for the purposes of establishing a procedure to bill for assessments and other charges of the Association and identify the guidelines under which an owner may request an alternative payment schedule for certain assessments and charges; and

WHEREAS, the Board has determined that it is in the best interest of the Association to establish these Guidelines;

NOW, THEREFORE, BE IT RESOLVED THAT the Association does hereby adopt the attached Billing Policy and Payment Plan Guidelines. This Policy replaces any previously recorded or implemented policy that addresses the subjects contained therein.

Certification

I hereby certify that, as \_\_\_\_\_ of the McKendree Park Community Association, Inc., the attached Billing Policy and Payment Plan Guidelines were approved on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at a meeting of the Board of Directors at which a quorum was present.

Signature: \_\_\_\_\_  
Printed Name: Ken Nguyen  
Title: President  
Date: 6/15/17

**MCKENDREE PARK COMMUNITY ASSOCIATION, INC.  
BILLING POLICY AND PAYMENT PLAN GUIDELINES**

**I. BILLING POLICY**

1. ASSESSMENT PERIOD

The Board of Directors ("Board") has the duty of establishing and adopting an annual budget, in advance, for each fiscal year of the Association covering the estimated costs of operation of the Association during each calendar year.

2. NOTICE

The Board shall fix the amount of the assessment against each lot for the following year pursuant to the Declaration and the annual budget each fiscal year. A written notice, or electronic notice allowable pursuant to Chapter 209 of the Texas Property Code, of the assessment may be sent to every owner subject to the assessment. Failure to receive notice will not negate an owner's responsibility or provide an entitlement to reduction or removal of assessments, interest, fines, or costs of collecting past due balances, if such notice was sent via regular mail to the most recent address of the owner according to Association records or sent by electronic means to the device or email address in the Association records when an owner has opted to receive notices by electronic means in accordance with Chapter 209 of the Texas Property Code.

Each owner shall have the obligation to notify the Association in writing of any change in address or change of electronic delivery which shall become effective five days after written notice has been received by the Association. Notices will be deemed delivered to the owner upon depositing the notice with the U.S. Postal Service, or by delivery through a delivery service to the owner or owner's address, or by sending the notice by electronic means as designated by the owner in the Association's records.

3. DUE DATE

All assessments are due and payable the first calendar day of the billing period, or in such a manner determined by the Board in its sole and absolute discretion. If any amount due the Association is not paid on the date when due, then such amounts shall be considered past due. When the account becomes past due, it remains as such until such time as it is paid in full, including assessments, fines, interest, late fees, and costs associated with collecting past due amounts.

4. INTEREST

If the assessment is not paid by the due date, the assessment may bear interest from the due date at the rate set forth in the Declaration until the assessment is paid in full.

5. LATE FEES

If the assessment is not paid by the due date, the Association may levy a late charge pursuant to the amount, if any, provided for in the Declaration until paid in full.

6. COSTS FOR COLLECTING PAST DUE AMOUNTS

Per the Declaration, the owner is responsible for paying the Association any costs of collecting past due amounts. Costs the Association may incur or be responsible for and then add to the owner's account may include, but are not limited to: administrative oversight, hand delivery notification, certified mail, title searches, amounts related to staff servicing past due accounts, ownership mailing address verification, document preparation, amounts related to making staff available for communication with past due owners, file review costs, filing fees, and other costs.

In addition, pursuant to Texas Property Code, the Association may incur or be responsible for third party costs that an owner is then responsible for paying which may include, but are not limited to: attorney's fees and costs, court costs, filing fees, and other costs.

7. PAST DUE NOTIFICATION

In the event an amount remains unpaid after the due date, past due notices may be sent from the Association to the owner(s) each month the amount remains past due. The Association may send written notice on or about every thirty (30) days until such time the account is paid in full.

The Association may choose to cause work to be done in an effort to properly bill the owners and to fulfill the Board's duty to bill and collect all assessments. The Association may state in past due correspondence to the owner the nature of any additional work to be done on the owner's account and the corresponding cost to the Association that will be billed by the Association to the owner's account if the owner fails to pay in full by the due date.

Past due notices will contain a statement that the entire remaining unpaid balance is due and that the owner is entitled to a payment plan. In the event the owner chooses to enter a payment plan, in addition to interest, a monthly charge may be added to the owner's balance for administrative costs related to the payment plan and such additional administrative costs may continue until the entire balance is paid in full.

8. FINAL NOTICE PRIOR TO REFERRAL TO A THIRD PARTY

In the event an amount due remains unpaid for a period of more than one hundred and twenty (120) days beyond the due date set forth on the initial notice of amounts due to the Association, or in the event an owner does not fulfill the terms of a payment plan agreement, the Board may vote in a meeting to send a Final Notice to the owner.

The Final Notice will be sent via certified mail pursuant to Section 209.0064 of the Texas Property Code and will set forth the following information: amounts due, including all past due assessments, interest, late fees, costs and any other amounts outstanding; a period of at least thirty (30) days for the owner to pay the amounts due; the availability of a payment plan if the owner is entitled to a payment plan as described in Section II of this document; notice of the owner's past due amounts being referred from the Association's handling to a third party collection agent or attorney if the amount remains unpaid after the referenced thirty (30) day period; and notice that any attorney's fees and costs will be charged to the owner's account.

9. REFERRAL OF ACCOUNT TO A THIRD PARTY - ESCALATED BILLING STATUS

Past due accounts referred to the Association's attorney for legal action may, per the Declaration of the Association, be charged interest, late fees, costs to the Association related to the administrative monitoring of an owner's account, and costs of the third party attorney's office. The costs for maintaining and monitoring accounts in an escalated billing status may include, but are not limited to: correspondence to and from the attorney, regular updates from the attorney to the Board, coordination with the Board related to the owner's file, processing invoices and partial payments, notary services, periodic review of the file, providing updated monthly statements to the attorney's office; producing documents, and when requested, information requests such as, confirmation of occupancy of property, identification of vehicles, etc.

Upon referral of an owner's account to a third party attorney's office, the attorney is authorized to take whatever action is necessary, in consultation with the Board, including but not limited to: sending demand letters, filing a lawsuit against the past due owner for a money judgment, instituting a foreclosure or expedited foreclosure action; and, filing necessary claims, objections and motions in the bankruptcy court and monitoring the bankruptcy case in order to protect the Association's interests.

10. PAYMENTS RETURNED FOR NON-SUFFICIENT FUNDS

An owner may be charged for costs related to a check that is returned for non-sufficient funds.

11. COMMON AREA

If a hearing is not requested within 30 days from the date the past due notice is mailed to the owner, the owner's use of recreational facilities and common properties may be suspended.

## II. PAYMENT PLAN GUIDELINES

The Association hereby establishes an alternative payment schedule by which an owner may make partial payments to the Association for past due regular or special assessments or any other amounts owed to the Association without accruing monetary penalties. Monetary penalties do not include interest or reasonable

costs associated with administering the payment plan. Any late fees imposed prior to a request for a payment plan may be made part of such payment plan at the discretion of the Board. The payment plan schedule and policy is as follows:

1. A payment plan term shall be determined at the discretion of the Board, but shall have a minimum term of not less than 3 months;
2. The Association may use its discretion to determine the maximum term of a payment plan;
3. The Association may set up, without the need for a case by case vote by the Board, a payment plan allowing up to 12 consecutive monthly installments;
4. An owner may submit a request for a payment plan that does not meet the foregoing guidelines and may provide any information they wish the Board to consider. The Board may approve or disapprove such payment plan, in its sole discretion, as long as the minimum term of the payment plan offered by the Association is not less than 3 months;
5. All payments shall be due by the date specified in the payment plan;
6. Failure by an owner to make a payment by the due date specified in the payment plan shall be considered a default of the payment plan;
7. 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 a previous payment plan;
8. If an owner requests a payment plan that will extend into the next assessment cycle, the owner may be required to pay future assessments by the due date of those assessments in addition to the payments specified in the payment plan;
9. Pursuant to Section 209.0064(b)(3) of the Texas Property Code the Association is not required to offer a payment plan to an owner after the thirty (30) day period to pay the past due balance in the final notice has expired;
10. The Association is not required to allow an owner to enter into a payment plan more than once in any twelve (12) month period;
11. The Association is not required to allow a payment plan for any amount that extends more than 18 months from the date of the owner's request for a payment plan.

### **III. General Provisions**

1. Independent Judgment

Notwithstanding the contents of this detailed policy, the officers, directors, and manager of the Association may exercise their independent, collective, and respective judgment in applying this policy.

2. Other Rights

This policy is in addition to and is not intended to detract from or limit the rights of the Association to bill assessments under the Association's Declaration and the laws of the State of Texas.

3. Application of Payments

A payment received by the Association shall be applied in accordance with Section 209.0063 of the Texas Property Code. The acceptance of a partial payment on an owner's account does not constitute a waiver of the Association's right to collect the full outstanding balance due on an owner's account.

4. Replacement and Amendment of Policy

This policy replaces any previously recorded or implemented policy that addresses the subjects contained herein. The Board of Directors may amend this policy from time to time.

## Schedule of Billing Procedures

| Collection Action *  | Late Charge             | Administrative Fee | Other Fees  |
|--|-------------------------|--------------------|---|
| 1 <sup>st</sup> Notice: Courtesy Notice<br>30 Days<br>Letter generated and mailed to owner with deadline to pay.   | Per governing documents | \$20               | N/A   |
| 2 <sup>nd</sup> Notice: Notice of intent to hand deliver 60 Days<br>Letter generated and mailed to owner with deadline to pay.   | Per governing documents | \$20               | N/A   |
| 3 <sup>rd</sup> Notice: Notice to hand deliver 90 days<br>Letter generated and mailed to owner with deadline to pay. Letter also sent via courier to hand deliver to resident. If resident is outside established delivery areas, FedEx utilized to hand deliver bill to resident.   | Per governing documents | \$20               | \$90 Hand Delivery charged to owner's account                       |
| 4 <sup>th</sup> Notice: Notice of Escalated Property Processing 120 days<br>Letter generated and mailed to owner with deadline to pay. PACER search done looking for all listed owners of the property. All pending bankruptcies or active litigation involving owner researched for financial situation of owner and to determine if the property is at risk for foreclosure by another entity superior to HOA. | Per governing documents | \$20               | \$120 Escalated Property Processing fee charged to owner's account. |
| Board Approval needed to send to attorney<br>209 Notice: 209 compliant notice generated. Balance forwards, if necessary, attached to billing statement. Statute of limitations removal completed prior to sending notice if applicable.  | Per Property Code 209   | \$20               | \$30 Statutory Notice fee charged to owner's account                |

|   |                                |             |  |
|---|--------------------------------|-------------|--|
| <p>Sent to attorney</p> <p>Title search completed to confirm ownership and mailing address for property. 209 notice checked for accuracy. Tracking information and signature for 209 notice pulled and provided to attorney. Search for any existing liens against the property. Transaction history pulled and provided to attorney. Legal work order generated to provide attorney any pertinent information on the owners file. Correspondence reviewed for any contact with owner regarding payments, pending sales and refinances, or pending payment plan requests. Account coded to attorney so that attorney can access real time information on the CINC portal.</p> | <p>Per governing documents</p> | <p>\$20</p> | <p>\$90 fee to process file to third party debt collector. Owner is responsible for all attorneys' fees/court costs paid by and/or charged to the Association.</p> |
|---|--------------------------------|-------------|--|

**Violation Enforcement Resolution for the  
McKendree Park Community Association, Inc.**

STATE OF TEXAS                   §  
   §  
COUNTY OF HARRIS           §

Pursuant to the Bylaws of the McKendree Park Community Association, Inc. (referred to as "Association") and the Declaration of Protective Covenants, the Directors of the McKendree Park Community Association, Inc, a Texas non-profit corporation, consent to the adoption of the following resolution:

RE:                   Violation Enforcement Policy

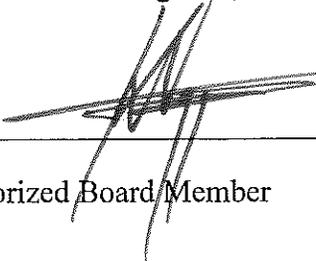
WHEREAS:

1. The Board of Directors is empowered to enforce the covenants, conditions and restrictions of the Covenants, Bylaws and any rules and regulations of the Association.
2. It is the Board's duty to use its best efforts to assure that said enforcement occurs

BE RESOLVED THAT:

1. The Board of Directors hereby adopts this Violation Enforcement Policy to establish equitable policies for the Association in compliance with the Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "Act"). To the extent any provision within this policy is in conflict the Act or any other applicable law, such provision shall be modified to comply with the applicable law.
2. All rules of the Association shall be enforced
3. The Violation Schedule (attached) shall be the Association's policy of enforcement.

EFFECTIVE: August 1, 2017

  
\_\_\_\_\_  
Authorized Board Member

6/15/17  
\_\_\_\_\_  
Date

**Violation Schedule for the  
McKendree Park Community Association, Inc.**

| <b>STATUS</b>  | <b>VIOLATION PROCEDURE</b>  | <b>ACTION REQUIRED</b>            |  |
|--|---|-----------------------------------|--|
| 1 <sup>st</sup> Sighting or Report of Violation                                  | Send Courtesy Notice  | 10 days to correct violation      |  |
| 2 <sup>nd</sup> Sighting/Notice<br><br>Not Repaired/No application for extension | Send Second Notice with intent to fine twenty five (25) dollars if the violation is not resolved within (10) days from the notice. (Sent Certified Mail)  | 10 days to correct violation      |  |
| 3 <sup>rd</sup> Sighting/Notice<br><br>Not repaired/No application for extension | Send Third Notice with notice of applied fine of twenty five (25) dollars with the intent to fine an additional fifty (50) dollars if the violation is not resolved within (10) days from the notice. (Sent Certified Mail)   | 10 days to correct violation      |  |
| 4 <sup>th</sup> Sighting/Notice<br><br>Not repaired/No application for extension | Send Fourth Notice with notice of applied fine of fifty (50) dollars with the intent to fine an additional seventy five (75) dollars if the violation is not resolved within (10) days from the notice. (Sent Certified Mail)   | 10 days to correct violation      |  |
| Final Notice   | Send Notice of applied fine of seventy five (75) dollars with the intent to continue to fine seventy five dollars every ten days if the violation remains unresolved. The Board may also escalate the matter to the Association's attorney by sending a final notice that the file will be forwarded to the attorney to correct the violation through the | 10 / 30 days to correct violation |  |

|  |  |  |  |
|--|--|--|--|
|  | court system in thirty (30) days if the violation is not resolved. (Sent certified mail) |  |  |
|--|--|--|--|

**General Policy**

If a homeowner contact management with the intent to correct a violation and asks for an extension, management shall grant such extension if it deems the extension reasonable. If the homeowner does not cure the violation after the extension period, the homeowner will be immediately referred to the attorney, or the process will be resumed at the last level of the process. Any disputes by homeowners regarding fines shall be considered by the Board of Directors. The Board, in its sole and absolute discretion, will make all final decisions regarding fines and violations after evaluating all relevant and presented information.

**Attorney Procedure**

It is the option of the Board of Directors to decide when and if an account goes to the attorney. The decision to escalate an account to the attorney may be based on violation severity, prior violation history, or other factors that may influence the Board’s decision. Once an account is turned over to the attorney’s office, the attorney will send the homeowner a letter of representation and a demand for compliance with the Association’s governing documents. If the homeowner does not respond, the attorney will pursue all available action to cure the violation through the court/legal system. If allowable by law and the Association’s Declaration of Covenants, all attorneys’ fees/court costs shall be the homeowner’s responsibility and shall be charged to the homeowners account and the money due shall be subject to the collection policy. If the amount due is not paid the attorney shall file a notice of lien.

**Other**

This policy may be amended and/or adjusted by the Board of Directors from time to time without notice. Homeowners are advised that they should contact the management company to request the most recent version of this policy if they have a question and/or need assistance in making payment arrangements.

**Forced Maintenance Procedure**

In the event any Owner of any Homesite within the Property fails to maintain the landscaping, grass or vegetation of a Homesite in a manner consistent with the overall standard established within the Property and satisfactory to the Board of Directors of the Association, the Association, after ten (10) days’ notice to the Owners of the Homesite setting forth the action intended to be taken by the Association and after approval by a two—thirds (2/3) vote of the Board of Directors, shall have the right

but not the obligation, through its agent, contractors and/or employees, to enter upon said Homesite and to maintain, cut, trim and/or restore such landscaping, grass or vegetation at the Owner's expense.

| <b>Violation<br/>Procedure</b>   | <b>Status</b>                   | <b>Action required</b> |
|--|---------------------------------|------------------------|
| Send ten day (10) courtesy notice of the violation to include, but not limited to grass, weeds, gutters, siding, improvements, vegetation, fences & other violations within the CC&R's.  | 1 <sup>st</sup> Report/Sighting | 10 days to correct     |
| Send ten day (10) notice of the violation to include, but not limited to grass, weeds, gutters, siding, improvements, vegetation, fences & other violations within the CC&R's. The notice will be sent with the intent to send a contractor to resolve the violation if not resolved by the Homeowner within (10) days. The fee associated with maintaining the lot will be \$50 per incident. | 2 <sup>nd</sup> Report/Sighting | 10 days to correct     |

**Other**

This policy may be amended and/or adjusted by the Board of Directors from time to time without notice. Homeowners are advised that they should contact the management company to request the most recent version of this policy if they have a question and/or need assistance in making payment arrangements.