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NOTICE  
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**PAYMENT PLAN POLICY AND APPLICATION OF PAYMENT SCHEDULE  
FOR  
CATALINA SQUARE IMPROVEMENT COMMITTEE, INC.**

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

WHEREAS, CATALINA SQUARE IMPROVEMENT COMMITTEE, INC.(the Association”), constitutes a property owners association under the provisions of Chapter 209 of the Texas Property Code (the “Code”) and is composed of 419 lots, is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Deed Restrictions for the CATALINA SQUARE IMPROVEMENT COMMITTEE, INC. (hereafter collectively referred to as the “Deed Restrictions”) and;

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 (“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 has duly adopted the following Payment Plan Guidelines Policy (the “Policy”) and Application of Payments Schedule, as set forth below.

**PAYMENT PLAN GUIDELINES**

**1. Eligibility for Payment Plan**

Subject to the terms of this Policy, a member of the Association who is 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”), shall be entitled 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”). Each such Payment Plan

Agreement shall be in accordance with terms of these Payment Plan Guidelines and the requirements of Section 209.0062 of the Code.

Notwithstanding the foregoing, or any provision herein to the contrary, a member of the Association shall be ineligible to pay his or her Assessment Delinquency under a Payment Plan Agreement if such member has failed to honor the terms of a previous Payment Plan Agreement with the Association and it has been less than two (2) years since the member's default under the previous Payment Plan Agreement.

## 2. Payment Plan Administrative Charges and Interest

In addition to the Assessment Delinquency, a member of the Association who enters into a Payment Plan Agreement shall be required to pay to the Association reasonable costs associated with preparing the Payment Plan Agreement and administering the member's compliance with preparing the Payment Plan Agreement (hereinafter referred to collectively as the "Payment Administrative Charges") and administering the member's compliance with the "Payment Plan Administrative Charges"). A member of the Association who enters into a Payment Plan Agreement with the Association shall also be required to pay all interest due and payable on the member's Assessment Delinquency in accordance with applicable provisions of the Association's governing documents, which shall continue to accrue on the Assessment Delinquency during the term of "Payment Plan Agreement.

## 3. Available Payment Plan Schedules

The Association has established three alternative installment payment plan schedules (each hereinafter referred to as a "Repayment Schedule"). The payment plan shall 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 shall 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 shall 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. The three available Repayment Schedules are as follows:

### (a) Four (4) Month Repayment Schedule

Any member who owes the Association an Assessment Delinquency totaling \$400.00 or less shall be qualified to select the Four-Month Repayment Schedule. Under the Four-Month Repayment Schedule, the member shall pay the Assessment Delinquency, plus any Payment Plan Administrative Charges and accrued interest, in equal monthly installments over a period of four (4) months.

(b) **Eight (8) Month Repayment Schedule:**

Any member who owes the Association an Assessment Delinquency totaling \$401.00-\$800.00 shall be qualified to select either the Four-Month Repayment Schedule or the Eight-Month Repayment Schedule. Under the Eight-Month Repayment Schedule, the member shall pay the Assessment Delinquency, plus any Payment Plan Administrative Charges and accrued interest, in equal monthly installments over a period of eight (8) months.

(c) **Twelve (12) Month Repayment Schedule:**

Any member who owes the Association an Assessment Delinquency total \$801.00 or more shall be qualified to select either the Four-Month Repayment Schedule, the Eight-Month Repayment Schedule, or the Twelve-Month Repayment Schedules. Under the Twelve-Month Repayment Schedule, the member shall pay the Assessment Delinquency, plus any Payment Plan Administrative Charges and accrued interest, in equal month installments over a period of twelve (12) months.

4. Payment Plan Agreement

Each Payment Plan Agreement shall be evidenced in writing and executed by both the member and a duly authorized representative of the Association. The Payment Plan Agreement shall specify the total amount of Assessment Delinquency owed to the Association as of effective the date of the Payment Plan Agreement, the total amount of Payment Plan Administrative Charges and interest to be paid under the Payment Plan Agreement, and the term of the Repayment Schedule.

5. Default of Payment Plan Agreement

Each payment due under any Payment Plan 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. Time is of the essence with respect to payments under a Payment Plan Agreement and the obligation to pay each monthly payment on or before the (1<sup>st</sup>) day of each month must be strictly complied with. If a monthly payment made pursuant to a Payment Plan Agreement is returned for insufficient funds and/or if a payment is received after the due date thereof, it shall constitute a material breach of the Payment Plan Agreement. In such event, all unpaid amounts subject to the Payment Plan Agreement shall automatically, without any further notice from the Association, be accelerated and shall be immediately due and payable in full to the Association.

In such event, the member shall be considered in default of the Payment Plan Agreement until he or she pays the full amount of the accelerated Assessment Delinquency, Payment Plan Administrative Charges and accrued interest subject to the Payment Plan Agreement to the Association (the "Payment Plan Default Period"). In addition, the defaulting member shall be liable for all costs of collection, including attorney's fees, incurred by the Association to collect any remaining unpaid amounts subject to the Payment Plan Agreement, which shall be added to and included within the Assessment Delinquency that must be paid by the defaulting member to the Association under such Payment Plan Agreement. Any payments received by the Association from a member of the Association who is in default under a Payment Plan Agreement with the Association during a Payment Plan Default Period shall be applied to the member's debt or account in the following order of priority:

- (1) any attorney's fees or third-party collection costs incurred by the Association in connection with collection of the member's debt;
- (2) any other fees and expenses reimbursable to the Association in connection with collection of the member's debt.
- (3) any late charges and interest due by the member;
- (4) any past-due delinquent assessments (beginning with the oldest);
- (5) any current assessments;
- (6) any other amount owed to the Association (excluding fines); and
- (7) any fines assessed by the Association.

#### **APPLICATION OF PAYMENTS SCHEDULE**

In accordance with the terms of Section 209.0063 of the Code, except for payments made to the Association by members who are in default under a Payment Plan Agreement with the Association (as provided above), a payment received by the Association from a member shall be applied to the member's account in the following order of priority:

- (1) any delinquent assessments (beginning with the oldest);
- (2) any current assessments;
- (3) any attorney's fees or third-party collection costs incurred by the Association associated solely with collection of unpaid assessments of any other charge that could provide the basis for foreclosure of the Association's assessment lien;
- (4) Any attorney's fees incurred by the Association that are not associated solely with the collection of unpaid assessments or that do not provide a basis for foreclosure of the Association's assessments lien;
- (5) Any fines assessed by the Association; and
- (6) Any other amount owed to the association.

I, John Groves, President of Catalina Square Improvement Committee, Inc. (the "Association"), certify that at a meeting of the Board of Directors of the Association (the "Board") duly called and held on the 19 day of May, 2015, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the foregoing Payment Plan Policy and Application of Payment Schedule 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 Harris County, Texas.

TO CERTIFY which witness my hand this the 19 day of May, 2015.

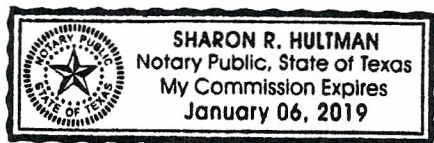
CATALINA SQUARE IMPROVEMENT COMMITTEE, INC.

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By: John Groves  
John Groves, President

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 19 day of may, 2015 personally appeared John Groves President of Catalina Square Improvement Committee, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledge to me that he had executed the same for the purpose and in the capacity there in expressed.



Sharon R. Hultman  
Notary Public in and for the State of Texas

RETURN TO:  
CATALINA SQUARE IMPROVEMENT COMMITTEE, INC.  
PO BOX 14  
ALIEF, TX 77411

FILED

2015 MAY 22 PM 3:10

*Stan Stewart*  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL  
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW  
THE STATE OF TEXAS  
COUNTY OF HARRIS

I hereby certify that the instrument was FILED in the Number Sequence on the date and at the time  
designated herein by me, and was duly RECORDED, in the Official Public Records of said Property of Harris  
County, Texas

MAY 22 2015



*Stan Stewart*  
COUNTY CLERK  
HARRIS COUNTY, TEXAS