



Alternative Payment Plan Policy

WHEREAS, pursuant to Section 209.0062 of the Texas Property Code, the Board of Directors of Lakes of Coppel Owners Association, Inc. (the "Association") is required to adopt reasonable guidelines regarding an alternate payment schedule in which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association.

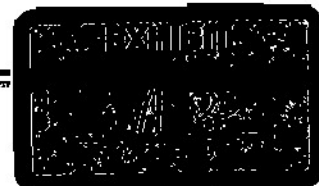
NOW, THEREFORE, IT IS RESOLVED, in order to comply with the procedures set forth by Chapter 209 of the Texas Residential Property Owners Protection Act, that the following *guidelines and procedures are promulgated for the establishment of an alternate payment schedule*, and the same are to be known as the "Alternate Payment Plan Policy" of the Association (hereinafter the "Policy").

1. Purpose. The purpose of this Policy is to assist Owners in remedying delinquencies and remaining current on the payment of amounts owed to the Association by establishing orderly procedures by which Owners may make partial payments to the Association for amounts owed without accruing additional penalties.

2. Eligibility. To be eligible for a payment plan pursuant to the Association's alternate payment plan schedule, an Owner must meet the following criteria:

- a) The owner must currently be delinquent in the payment of regular assessments, special assessments, or any other amounts owed to the Association;
- b) The Owner must not have defaulted on a prior payment plan within the *prior two year period; and*
- e) The Owner must submit a signed payment plan as defined below, along with the Owner's initial payment to the address designated by the Association for correspondence.

3. Payment Plan Schedule/Guidelines. The Association hereby adopts the following alternate payment guidelines and makes the following payment plan schedule available to owners in order to make partial payments for delinquent amounts owed:



- a) Requirements of Payment Plan Request. Within 30 days of the date of the initial letter which informs the owner of the availability of a payment plan, an owner must submit a signed acceptance of the payment plan schedule described below to the Association or its managing agent.
- b) Term. The term of the payment plan or schedule is 18 months with an initial payment of 0 % of the total amount owed and remaining payments in equal installments.
- c) Date of Partial Payments under Plan. The Owner must submit the initial installment payment under the plan contemporaneously with submission of the Owner's payment plan agreement which must be signed by the Owner. The Owner must make all additional monthly installment payments under the payment plan so that the payments are received by the Association no later than the 15th day of each month. The Owner may pay off, in full, the balance under the payment plan at any time. All payments must be received by the Association at the Association's designated mailing address or lock box. Payments may be made through auto draft bill payment, in check or certified funds, or by credit card (to the extent the Association is set up to receive payment by credit card).
- d) Correspondence. Any correspondence to the Association regarding the amount owed, the payment plan, or such similar correspondence must be sent to the address designated by the Association for correspondence. Such correspondence shall not be included with an Owner's payment.
- e) Amounts Coming Due During Plan. Owners are responsible for remaining current on all assessments and other charges coming due during the duration of the Owner's payment plan and must, therefore, timely submit payment to the Association for any amounts coming due during the duration of the Owner's payment plan.
- f) Additional Charges. An Owner's balance owed to the Association shall not accrue late fees or other monetary penalties (except interest) while such Owner is in compliance with a payment plan under the Association's alternate payment plan schedule. Owners in a payment plan are responsible for reasonable costs associated with administering the plan, and for interest at the highest rate permitted by the governing documents on the unpaid balance. The costs of administering the plan and interest shall be included in calculating the total amount owed under the payment plan and will be included in the monthly payment obligation. The costs of administering the payment plan may include a reasonable charge for preparation and creation of the plan, as well as a monthly administration fee.

4. Default. If an Owner fails to timely submit payment in full of any installment payment (which installment payment must include the principal owed, the administration fees assessed to ~~the plan and interest charges~~), ~~or fails to timely pay any amount coming due during the duration~~ of the plan, the Owner will be in default. If an Owner defaults under a payment plan, the Association may proceed with collection activity without further notice. If the Association elects

to provide a notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. In addition, the Owner is hereby on notice that he/she will be responsible for any and all costs, including attorney's fees, of any additional collection action which the Association pursues.

5. Board Discretion. All other terms of a Payment Plan are at the discretion of the Board of Directors.

6. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, the purpose of this policy is to satisfy the legal requirements of Section 209.0062 of the Texas Property Code. In the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law.

IT IS FURTHER RESOLVED that this Alternate Payment Plan Policy is effective on January 1, 2012, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 11/15/11, and has not been modified, rescinded or revoked.

MARK HILZ
Name: MARK HILZ
Title: Vice President
Date: 11/15/11