

POLICY REGARDING ALTERNATIVE PAYMENT SCHEDULES

Lakeway Owners' Association, Inc.

1. **Purpose:** The purpose of this Policy is to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for amounts owed to the Association.
2. **Definitions:** As used in this Policy, the following definitions shall apply:
 - a. Association - Lakeway Owners' Association, Inc., a Texas non-profit corporation.
 - b. Owner - An owner of real property in the Lakeway Harbor Subdivision in Smith County, Texas.
 - c. Governing Documents - All documents specifically governing the Association, the Owners, and/or the Subdivision, as amended, including but not limited to the Restrictive Covenants governing Lakeway Harbor Subdivision; the Bylaws of the Association; the Policies, Rules, and Regulations of the Association, and any other contracts or agreements between the specific Owner and the Association.
 - d. Obligation - All amounts of money owed by an Owner to the Association, including but not limited to regular and special assessments; all fees of any kind charged by the Association; all fines levied by the Association for violations of the Governing Documents; and all other charges or obligations of any kind whatsoever, regardless of whether they are owed by reason of the Governing Documents or some other legally imposed duty or obligation.
 - e. Delinquent Obligation - Any Obligation that is past due as of the date that an Alternative Payment Plan is adopted by an Owner and the Association.
 - f. Future Obligation - Any Obligation that becomes due while an Alternative Payment Plan is in effect between an Owner and the Association, and which is not timely paid.
 - g. Alternative Payment Plan - A written agreement between an Owner and the Association establishing an alternative payment schedule by which that Owner will make partial payments to the Association for any Obligation(s). A Hardship Alternative Payment Plan is a specific type of Alternative Payment Plan.
 - h. Board - The Board of Directors of the Association.
3. **Alternative Payment Plan:** Any Owner who owes an Obligation to the Association

may apply for an Alternative Payment Plan by delivering a completed application to the Association's Treasurer.

- a. Application: The Application form will be established by the Board.
 - b. Approval or Rejection: The Board shall have the sole discretion to approve or reject such an Application. The Board may delegate authority to the Treasurer to approve or reject any such application. Applications will normally be approved, but in its sole discretion the Board may require obtain additional information from the Owner regarding the Owner's circumstances, before considering whether to approve the application.
 - c. Terms of Plan: An Alternative Payment Plan will ordinarily require the Owner to pay all Obligations then due and owing to the Association by immediately paying one-fourth of the total upon approval of the Plan, an additional one-fourth within thirty days of approval of the Plan, an additional one-fourth within sixty days of approval of the Plan, and the full remaining balance within ninety days of approval of the Plan.
 - d. Future Obligations: An Alternative Payment Plan must require the Owner to timely pay all Future Obligations to the Association as they come due, and must require the Owner to comply with all other terms and conditions of the Governing Documents while the Plan is in effect.
4. **Hardship Alternative Payment Plan:** Any Owner undergoing a serious hardship and who owes an Obligation to the Association may apply for a Hardship Alternative Payment Plan by delivering a completed application to the Association's Treasurer.
- a. Application: The Application form will be established by the Board. The application form shall require the Owner to declare that he or she is applying for such a plan because of a serious hardship. The Board may but is not required to obtain additional information from the Owner regarding the hardship and the Owner's circumstances, before considering whether to approve the application.
 - b. Approval or Rejection: The Board shall have the sole discretion to approve or reject such an Application. Applications will normally be approved, but in its sole discretion the Board may require obtain additional information from the Owner regarding the Owner's circumstances, before considering whether to approve the application.
 - c. Terms of Plan: The duration of a Hardship Alternative Payment Plan is at the sole discretion of the Board, but must be between three months and eighteen months. Normally a Hardship Alternative Payment Plan will require the Obligations to be paid in equal monthly payments over the duration of the Plan, but the Board may approve other terms, in its sole discretion. A

Hardship Alternative Payment Plan must require the Owner to pay all Obligations then due and owing to the Association within eighteen months of the date of the owner's request for a Hardship Alternative Payment Plan.

- d. **Future Obligations:** A Hardship Alternative Payment Plan will generally require the Owner to timely pay all Future Obligations to the Association as they come due. However, the Board in its sole discretion may include in a Hardship Alternative Payment Plan alternative payment arrangements for future obligations. A Hardship Alternative Payment Plan must require the Owner to comply with all other terms and conditions of the Governing Documents while the Plan is in effect.
5. **Prior Default:** If the Owner failed to honor the terms of a previous payment plan within two years prior to the submission of the application, the Board may, in its sole discretion, approve an Application for an Alternative Payment Plan or an Application for a Hardship Alternative Payment Plan.
6. **Late fees, interest, etc.:** An owner who has a current alternative Payment Plan, and who is in compliance with that plan, shall not accrue any interest, late fees, or other additional monetary penalties accruing solely as a result of the fact that the Obligation(s) were not paid when due. An owner who fails to perform all terms and conditions of such a plan will be charged all interest, late fees, and other charges that would have accrued during the time the plan was in effect. Any interest, late fees, or similar charges incurred after payment of an Obligation became due but before an alternative Payment Plan was adopted shall be added to the balance owed by that Owner, and shall be included in the amounts to be paid under the terms of the plan.
7. **Other Remedies:** By approving an Alternative Payment Plan with an Owner, the Association is agreeing not to seek other remedies against that Owner for any past failures by that Owner to timely pay the Obligations that are to be repaid pursuant to the Alternative Payment Plan, as long as the Owner complies with the terms and conditions of the Plan and the Governing Documents. If the Owner fails to comply with the Plan or with any other obligation to the Association, or fails to comply with the Governing Documents, the Association may in its sole discretion terminate the Plan and declare all Obligations immediately due and owing, and/or exercise any other remedy. Pursuant to the Covenants and Bylaws, those other remedies may include filing a lawsuit or other proceeding; seeking attorney's fees, court costs, and costs of sale; and foreclosing on the owner's property.
8. **Implementation:** The Association's Treasurer shall be primarily responsible for implementation of and compliance with this Policy.

ACKNOWLEDGMENT

"My name is MARY WILLIAMS. I am the President of Lakeway Owners' Association, Inc. I certify that the foregoing Policy was duly adopted by the Board of Directors of Lakeway Owners' Association, Inc. on Sept 24, 2018.

Mary Williams
MARY WILLIAMS, President

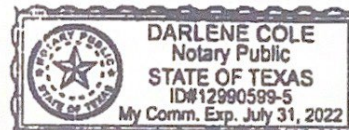
STATE OF TEXAS

COUNTY OF SMITH

§
§
§

On this, the 24th day of September, 2018, before me a notary public, the undersigned officer, personally appeared MARY WILLIAMS, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, acknowledged that she executed the same for the purposes therein contained.

Darlene Cole
Notary Public, State of Texas





Smith County



DO NOT REMOVE

THIS PAGE IS PART OF THE INSTRUMENT

Smith County



DO NOT REMOVE
THIS PAGE IS PART OF THE INSTRUMENT

Filed for Record in
Smith County, Texas
11/29/2018 10:31:57 AM
Fee: \$38.00
20180100048118

BY LAWS

Deputy -Veronica Arteaga

I hereby certify that this instrument was
filed and duly recorded in the Official
Public Records of Smith County, Texas

A handwritten signature in cursive script, reading "Karen Phillips".

Karen Phillips
County Clerk

