

ATTACHMENT 5

ASSESSMENTS POLICY

ALTERNATIVE PAYMENT POLICY AND SCHEDULE FOR ASSESSMENTS
FOR
PECAN SQUARE RESIDENTIAL COMMUNITY ASSOCIATION, INC.
("Assessments Policy")

In the event of a conflict of interpretation between the provisions set forth in the Governing Documents, hereinafter defined, of Pecan Square Residential Community Association, Inc., a Texas non-profit corporation and this Assessments Policy, this Assessments Policy shall govern as the conflict relates to the content set forth herein. If the Act or TNCL, hereinafter defined, are hereafter amended or changed, this Assessments Policy shall be interpreted in a manner which conforms to the provisions of the Act or the TNCL, whichever is applicable, with respect to payment of delinquent Assessments and other amounts owed to the Association. Any capitalized terms not defined herein shall have the meaning as set forth in the Governing Documents.

I. DEFINITIONS:

"Act." Chapter 209 of the Texas Property Code, as amended from time to time.

"Association." Pecan Square Residential Community Association, Inc., a Texas non-profit corporation, and its successors and assigns, organized under the TNCL, and created for the purposes and possessing the rights, powers, authority and obligations set forth in the Governing Documents, whose address for notice purposes is 3000 Turtle Creek Blvd., Dallas, Texas 75219, as may be changed by the Association from time to time.

"Assessments." Those assessments described in Article VI of the Declaration and as may be further described in the remaining Governing Documents.

"Board." The board of directors of the Association.

"County." Denton County, Texas.

"Declaration." That certain Declaration of Covenants, Conditions and Restrictions for Pecan Square Residential Community, recorded on April 23, 2019 as Document No. 2019-44024 in the Real Property Records of Denton County, Texas, as may be amended and supplemented from time to time.

"Development Period." That certain time period during more particularly described in the Declaration.

"Governing Documents." Those documents listed in Section 2.4 of the Declaration, the Records Policy, this Assessments Policy and any other restrictions filed of record in the County, as each may be amended from time to time.

"Governmental Authority." Any and all applicable courts, boards, agencies, commissions, offices or authorities for any governmental entity (federal, State, County, district, municipal, City or otherwise) whether now or hereafter in existence.

"Legal Requirements." All current judicial decisions, statutes, rulings, rules, regulations or ordinances of any Governmental Authority applicable to the payments of Assessments to the Association.

"Manager." Any professional manager or management company that is engaged by the Association to perform any of the duties, powers or functions of the Association.

"Members." Collectively, all Owners of Lots; and individually, a "Member".

"Membership." The rights and obligations associated with being a Member of the Association.

"Minute Book." The minute book of the Association, which shall contain that certain information and documentation as it relates to the Board of Directors and the Association as may required by the Governing Documents including but not limited to the notices provided for and minutes taken of all annual and special meetings of the Members and the Board of Directors and all resolutions of the Board of Directors.

"Owner." Any Person (including Declarant) owning fee title to a Lot, but excluding any Person having an interest in a Lot solely as security for an obligation.

"Real Property Records." The records of the office of the county clerk of the County where instruments concerning real property are recorded.

"TNCL." The Texas Nonprofit Corporation Law, as amended from time to time.

II. PAYMENT OF ASSESSMENTS:

A. Due Date. Regular Assessments are due in the amount and on the dates established in the Declaration, pursuant to Article VI thereof, and any other assessments, including special assessments, due and payable in accordance with Article VI of the Declaration or as otherwise specified by the Board of Directors in a notice imposing such assessment in accordance with the Act (collectively, "Due Date"). Assessments are considered delinquent if not received, payment in full, by the Association on the Due Date ("Delinquent Date").

B. Notice of Delinquent Amounts. The Association will notify an Owner within 30 days of the Delinquent Date that such Owner's account is delinquent which notice will set forth the following information:

1. Specifies each delinquent amount and the total amount owed to the Association in order to make the account current ("Delinquent Amounts");
2. Describes the options Owner has to avoid the account being turned over to a collection agency including the availability of the Payment Plan, hereinafter defined; and
3. Provides 30 days for Owner to cure the delinquency before further collection actions are taken.

The notice requirement set forth in this Article II. Section B was established by and is set forth in the Act. If the Association decides to send any type of "courtesy" notice letter to an Owner after the Due

Date has passed, prior to the written notice required in this Article II, Section B, such notice shall be of a courtesy nature only, puts no obligation or requirement on the Association to provide courtesy notices at any time now or in the future and sending such “courtesy” notices may be ceased at any time without notice to any Owner. The written notices required by this Assessments Policy and the Act, to be sent to an Owner regarding Delinquent Amounts, shall be the only notices the Association or Manager, whichever is applicable, is obligated or required to send.

C. Payment Plan. The Act requires the Association to provide an alternative payment plan for Delinquent Amounts owed to the Association (“Payment Plan”). Once the Association has provided the requisite written notice to an Owner for Delinquent Amounts pursuant to Article II, Section B hereof and subject to the eligibility requirements set forth in Article II, Section E, such Owner may enter into a Payment Plan with the Association to pay the Delinquent Amounts.

D. Guidelines for Payment Plan. Once an Owner enters into a Payment Plan (“Plan Date”), such Owner will begin making partial payments to the Association until the Delinquent Amount is paid in full. The Association may use the following timelines and terms as a general guideline for the Payment Plan, however Payment Plans may be customized to meet the needs of individual Owners as may be necessary so long as any customization does not violate this Assessments Policy, the Governing Documents or the Act. In no event will any Payment Plan be offered for a term of less than three months or greater than 18 months from the Plan Date.

6 Month /Equal Payment Plan – six equal partial payments of the Delinquent Amounts to be paid to the Association on the same day of each month as set forth in the Payment Plan; if the payment date specified in the Payment Plan falls on a holiday or weekend day, the payment will be due the first Business Day following such holiday or weekend day.

Payment Commencement – the first partial payment due under the Payment Plan shall be due and payable 30 days from the Plan Date.

Interest and Fees – additional monetary penalties (late fees, fines for Delinquent Amounts, interest on fines and late fees and similar type penalties) may not be charged to any Owner who participates in a Payment Plan after the Plan Date. Monetary penalties do not include reasonable costs associated with administering the Payment Plan or interest on the Delinquent Amounts.

E. Eligibility for Payment Plan. The Association is not required to enter into a Payment Plan with any Owner who has failed to honor the terms of any previous Payment Plan entered into with the Association for a period of two years following such Owner’s default under the previous Payment Plan. When an Owner is not eligible for a Payment Plan pursuant to this Article II, Section E, all Delinquent Amounts owed to the Association must be paid in full pursuant to the written notice provided to the Owner pursuant to Article II, Section B. The Association shall not be required to accept any partial or installment payments of Delinquent Amounts from the date of the institution of an action to enforce the payment thereof to the time that all such amounts are paid in full.

F. Application of Payments: Except as otherwise set forth in the Act, such as when an Owner is in default of a Payment Plan, payments made under a Payment Plan shall be applied to Owner accounts in the following order of priority:

1. Delinquent Assessments
2. Current Assessments
3. Attorney's fees or third party collection costs
4. Fines
5. Other amounts owed to the Association

G. Default on Payment Plan. If any partial payment on the Payment Plan is not paid on the due date specified in such Payment Plan, and after written notification of such missed payment to Owner ("Payment Plan Default Notice"), Owner fails to make the partial payment within the specified timeframe stated in the Payment Plan Default Notice, the Owner shall be deemed in default of the Payment Plan. Once an Owner is in default of a Payment Plan, the Association may declare the entire remaining unpaid Delinquent Amount immediately due and payable by written notice to the Owner and commence collection proceedings to collect such amount without regard to the Payment Plan

F. No Response to Payment Plan. In the event an Owner refuses to participate in a Payment Plan either by express refusal or no response to the default notices sent to Owner pursuant to this Assessments Policy, the Act and any other applicable laws, and any applicable cure periods during which the Owner has the opportunity to pay the Delinquent Amounts without further penalty have expired, the Association may declare the Delinquent Amounts immediately due and payable by written notice to the Owner and commence collection proceedings to collect such amounts.

III. **FORECLOSURE**: So long as the Association is in compliance with the Act and other applicable law with regard to collection of Delinquent Amounts, including but not limited to the requirements set forth in this Article III, assessment liens created pursuant to the Declaration may be foreclosed on or enforced by any means available at law or in equity.

A. Notice to Lienholders. The Association may not foreclose an assessment lien unless the Association has provided the requisite notice to any record lien holder on an Owner's property and provided such lien holder an opportunity to cure the Delinquent Amounts pursuant to the Act.

B. Judicial Foreclosure Required. The Association shall strictly follow the rules for expedited foreclosure proceedings of assessment liens adopted by the Texas Supreme Court on or before January 1, 2012, as may be amended.

C. Notice to Owners and Military Servicemembers. Owners who are military servicemembers may be afforded special protection in the event of foreclosure. In order to ensure that the Association affords such persons this protection and follows all applicable law in addition to the Act related to defaulted Owners and foreclosure of real property, it shall comply with the following provisions.

1. The Association shall strictly comply with the Act and Chapter 51 of the Texas Property Code, as amended and shall deliver all notices and follow all procedures required therein

as the same may apply to foreclosures resulting from Owners' failure to pay Delinquent Amounts.

2. Notices served upon Owners pursuant to Chapter 51.002(b)(3) and (d) of the Texas Property Code, (b)(3) (*relating to a required written notice of sale*) and (d) (*relating to written notice that a debtor is in default*), must state the name and address of the sender of the notice and contain the following statement in conspicuous, boldface or underlined type:

Assert and protect your rights as a member of the armed forces of the United States. If you are or your spouse is serving on active military duty, including active military duty as a member of the Texas National Guard or the National Guard of another state or as a member of a reserve component of the armed forces of the United States, please send written notice of the active duty military service to the sender of this notice immediately.

3. Pursuant to Chapter 51.015 of the Texas Property Code, foreclosure of an assessment lien created before the date on which a servicemember's active duty military service commences may not be conducted during a military servicemember's period of active duty military service or during the nine months after the date on which that service period concludes unless the foreclosure is conducted under a court order or the military servicemember waived his rights pursuant to and in accordance with Chapter 51.015(e) of the Texas Property Code.

IV. MISCELLANEOUS:

A. Amendments. Notwithstanding any other provision in the Governing Documents or the Act to the contrary, the Declarant during the Development Period or the Board of Directors may amend this Assessments Policy, provided that the Board receives Declarant's prior written consent during the Development Period. Any amendment to this Record Policy shall become effective upon its recordation in the Real Property Records of the County.

B. Effective Date. This Assessments Policy was unanimously adopted by the Board of Directors by written consent, a copy of which shall be kept in the Association records in accordance with the Records Policy and shall be effective as of the date this policy is recorded in the Real Property Records of the County.

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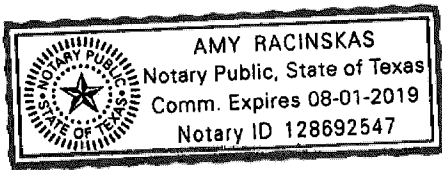
IN WITNESS WHEREOF, the Association has caused this Assessments Policy to be duly executed by an authorized officer of the Board of Directors on the 24th day of April, 2019, and to be effective as of the date this Assessments Policy is recorded in the Real Property Records of the County.

PECAN SQUARE RESIDENTIAL COMMUNITY ASSOCIATION, INC.,
a Texas nonprofit corporation

By: [Signature]
Name: Kim Comiskey
Title: Secretary

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Subscribed and sworn to before me on the 24th day of April, 2019, to certify witness my hand and official seal.



[Signature]
Notary Public in and for the
State of Texas

AFTER RECORDING RETURN TO:

Hillwood
3000 Turtle Creek Blvd.
Dallas, Texas 75219
Attn: Amy Racinkas