

**Application of Payments Policy for the
Knights Bridge Estates Homeowners Association**

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

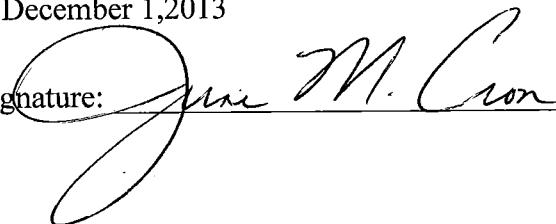
WHEREAS, The Knights Bridge Estates Homeowners Association, a Texas non-profit corporation (the "Association") is charged with administering and enforcing the Declaration of Protective Covenants (the "Declaration");

WHEREAS, The Board adopts the following policy in order to comply with the priority of payments schedule created by Section 209.0063 of the Texas Property Code; and

NOW THEREFORE, the Board has duly adopted the following "Application of Payments Policy" (the "Policy"):

- 1) Any delinquent assessment;
- 2) Any current assessment;
- 3) Any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
- 4) Any attorney's fees incurred by the association that are not subject to the preceding subpart;
- 5) Any fines assessed by the Association;
- 6) Any other amounts owed to the Association.

EFFECTIVE DATE: December 1,2013

Authorized Board Member Signature:  Date: 1-29-14