

**CERTIFICATE OF CORPORATE RESOLUTION OF  
VILLAS AT NEWPORT COMMUNITY ASSOCIATION  
COLLECTION/PAYMENT PLAN POLICY**

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WHEREAS, the Board of Directors ("Board") of Villas at Newport Community Association ("Association") is charged with the responsibility of collecting the assessments from owners of lots located within the community as provided for in the Bylaws ("Bylaws") adopted by the Association and as authorized by the Declaration of Covenants, Conditions, and Restrictions recorded in the Office of the County Clerk of Harris County, Texas, under Clerk's File No. 20150158014, as it may have been and may be supplemented and amended from time to time ("Declaration"); and

WHEREAS, from time to time owners become delinquent in the payment of assessments to the Association, and the Board deems it to be in the best interest of the Association to develop orderly procedures for the billing and collection of assessments; and

WHEREAS, the Bylaws provides that a majority of the number of Directors shall constitute a quorum for the transaction of business; and


WHEREAS, the Board held a meeting on April 17, 2015, at which a majority of Directors were present and duly passed the resolution described hereinbelow.

NOW, THEREFORE, in furtherance of their duties as an officer of the Association, the undersigned President of the Association, does hereby certify that at a duly constituted meeting of the Board held on April 17, 2015, at least a majority of the Directors of the Board were present and duly adopted the following resolution:

RESOLVED: That the Board of Directors, on behalf of the Association, adopts the Collection/Payment Plan Policy attached hereto and incorporated herein for all purposes, to be effective as of April 17, 2015 and which supersedes any collection or payment plan policy which may previously been in effect.

EXECUTED on the dates of the acknowledgments set forth hereinbelow.

VILLAS AT NEWPORT COMMUNITY  
ASSOCIATION

  
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Mark Janik, President

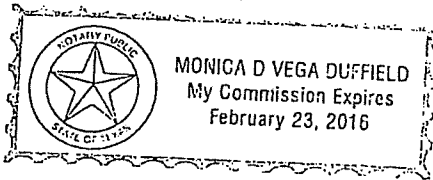
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THE STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on October 1, 2015 by Mark Janik, President of Villas at Newport Community Association, a Texas non-profit corporation, on behalf of said corporation.



Monica D Vega Duffield  
Notary Public, State of Texas

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VILLAS AT NEWPORT COMMUNITY ASSOCIATION  
COLLECTION/PAYMENT PLAN POLICY  
EFFECTIVE APRIL 17, 2015

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A. INTRODUCTION

The Board of Directors ("Board") of Villas at Newport Community Association, ("Association") is charged with the responsibility of collecting assessments for owners of lots within the community as provided for in the Bylaws adopted by the Association and as authorized by the Declaration of Covenants, Conditions, and Restrictions recorded in the Office of the County Clerk of Harris County, Texas, under Clerk's File No. 20150158014, as may be amended and supplemented from time to time ("Declaration"). In an effort to assist the Board in the collection of the assessments, the Board has developed the following procedures for the billing and collecting of the assessments, effective as of April 17, 2015, and which supersedes any collection or payment plan policy which may have previously been in effect.

B. BILLING AND COLLECTION PROCEDURES

1. Invoice Coupon and Record Address. On or before December 1 of each year, the Board shall cause to be mailed to each owner of a lot in the community for which payment of the annual assessment is due, an invoice coupon ("Invoice Coupon") setting forth the annual assessment amount. The Invoice Coupon shall be sent to the owner by regular U. S. First-Class Mail. The Invoice Coupon and any other correspondence, documents, or notices pertaining to the applicable lot shall be sent to the address which appears in the records of the Association for the owner, or to such other address as may be designated by the owner in writing to the Association. The fact that the Association or its management company may have received a personal check from an owner reflecting an address for the owner which is different from the owner's address as shown on the records of the Association is not sufficient notice of a change of address for the Association to change its records regarding such owner's address.
2. Assessment Due Date. All annual assessments shall be due and payable in advance on or before January 1. It is the responsibility of the owner to ensure and verify that payments are received by the Association on or before such date, and the Association will not be responsible for delay by mail or any other form of delivery. Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by January 1.
3. Delinquent Balances. If payment of the total assessment and any other charges which may be due is not received by the Association on or before January 1, the account shall be delinquent. If an owner defaults in paying the entire sum owing against the owner's property on or before January 31, the owner shall be charged interest at the lesser of the rate of 18% per annum or the maximum legal rate of

interest then prevailing, computed from January 1, regardless of whether any demand letter has been sent to the owner. Further, owners who remain delinquent after January 31 shall be subject to the following collection procedures, which may be modified on a case-by-case basis by the Board as circumstances warrant:

- (i) Past Due Reminder. The past due reminder is mailed to each property owner that has not paid their account balance in full prior to the due date established in the declaration.
- (ii) Delinquency Notice. The delinquency notice will be mailed to each property owner that has not paid their account balance in full by the delinquency date established in the declaration. This invoice will include the amount due shown in the original invoice plus interest and an administrative "late" fee charged by the Association plus the administrative "collection" fee charged by the management company.
- (iii) Final Notice before Legal Action. The final notice before legal action invoice will be mailed to owners via certified and regular mail. It provides notification that the account balance must be paid in full within 30 days or the account will be sent to an attorney. The notice will be sent via certified and regular mail. This invoice will include the amount due in the last prior invoice plus interest and an administrative "late" fee charged by the Association plus the administrative "collection" fee charged by the management company. A certified letter fee that includes the cost of postage and preparation for mailing will be added for the certified notice.
- (iv) Notice of Lien. To further evidence the Association's lien securing the unpaid assessments, the Association may, but is not required to, prepare a notice of lien setting forth the amount of the delinquent assessment, the name of the owner of the property, and a description of the property (the "Notice of Lien"). The decision to file a Notice of Lien shall be made by the Board on a case-by-case basis, if the Board determines that the circumstances merit such action, in the Board's sole discretion. The Notice of Lien may be filed in the real property records of Harris County, Texas, and will constitute further evidence of the lien against an owner's property.
- (v) Remedies for Non-Payment. If the delinquent balance is not paid in full or if a hearing is not requested in writing within 30 days of receipt of the Final Notice before Legal Action, the Association may suspend the owner's right to use the common area, as well as suspending any services provided by the Association to the owner or the owner's lot. Further, the Association will forward the delinquent account to its attorney for further handling. It is contemplated that the attorney will send one or more demand letters to the delinquent owner as deemed appropriate. If the owner does not satisfy the assessment delinquency pursuant to the attorney's demand letter(s), the attorney shall contact the Board, or its designated representative, for approval to proceed with the Association's

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legal remedies. Upon receiving approval from the Board, or its designated representative, it is contemplated that the attorney will pursue any and all of the Association's legal remedies to obtain payment of the delinquent balance, including pursuing a suit against the owner personally and/or pursuing a foreclosure action against the applicable property.

- (vi) Lien Release. The lien will be released by the Association when payment in full is received from the property owner. A copy of the recorded lien form will be mailed to the property owner following receipt from the County Clerk.

**C. ENFORCEMENT COSTS**

All costs incurred by the Association as a result of an owner's failure to pay assessments and other charges when due (including any attorneys' fees and costs incurred) will be charged against the owner's assessment account and shall be collectible in the same manner as a delinquent assessment.

**D. DISCRETIONARY AUTHORITY**

The Association shall make payment agreements available to an owner upon the terms and conditions set forth herein. The Association may require that the request for a payment agreement be in writing. All payment agreements must be in writing and signed by the owner. The minimum term for a payment agreement offered by the Association shall be 3 months, and the Association may not allow a payment agreement which extends more than 18 months from the date of the owner's request for a payment plan. Subject to such minimum term, the Board shall determine the appropriate term of the payment agreement in its sole discretion. As long as the owner is not in default under the terms of the payment agreement, the owner shall not accrue additional monetary expenses. However, the owner shall be responsible for all interest which accrues during the term thereof, as well as being responsible for the costs of administering the payment agreement. If the owner defaults under the payment agreement, the account will immediately be turned over to the attorney without any further notice to the owner. The Association shall not be required to enter into a payment agreement with an owner who failed to honor the terms of a previous payment agreement during the 2 years following the owner's default under the previous payment agreement.

**E. PAYMENTS AND APPLICATION OF FUNDS**

Partial Payments

Partial payments will not prevent the accrual of interest on the unpaid portion of the assessment. Unless an owner is making a timely payment under a payment agreement as provided for herein, an owner will still be considered delinquent upon making a partial payment.

Owner Not In Default Under Payment Agreement

If at the time the Association receives a payment from an owner, the owner is not in default under a payment agreement with the Association, the Association shall apply the  
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payment in the following order of priority: any delinquent assessment, any current assessment, any attorneys' fees or third-party collection costs incurred by the Association associated solely with assessments or any other charge which could provide the basis for foreclosure, any attorneys' fees incurred by the Association other than those described in the immediately foregoing category, any fines assessed by the Association (if applicable), and then to any other amount owed to the Association.

Owner In Default Under Payment Agreement

If at the time the Association receives a payment from an owner, the owner is in default under a payment agreement with the Association, the Association shall apply the payment in the following order of priority: interest, attorneys' fees, and other costs of collection, and then to assessment reduction and fines (if applicable), satisfying the oldest obligations first, followed by more current obligations, in accordance with the foregoing order of priority, or in such other manner or fashion or order as the Association shall determine, in its sole discretion, provided however, in exercising its authority to change the order of priority in applying a payment, a fine assessed by the Association (if applicable) may not be given priority over any other amount owed to the Association.

**F. BANKRUPTCY**

In the event a delinquent owner files bankruptcy, the Association reserves the right to file a proof of claim, pursue a motion to lift the automatic stay, or take any other action it deems appropriate to protect its interests in the pending bankruptcy action, including modifying any procedures hereunder as necessary or advisable. To the full extent permitted by the United States Bankruptcy Code, the Association shall be entitled to recover any and all attorneys' fees and costs incurred in protecting its interests, and such fees and costs shall be charged to the owner's assessment account.

**G. RETURNED CHECKS**

At the election of the Association, an owner will be charged a reasonable fee for any check returned by the bank, which fee will be charged to the owner's assessment account. A notice of the returned check and the fee will be sent to the owner by the Association's management company. If two or more of an owner's checks are returned unpaid by the bank within any one-year period, the Board may require that all of the owner's future payments for a period of two years be made by cashier's check or money order.

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**H. OWNER'S AGENT OR REPRESENTATIVE**

If the owner expressly or impliedly indicates to the Association that the owner's interest in the property is being handled by an agent or representative, any notice from the Association to such agent or representative pursuant to the Collection Policy shall be deemed to be full and effective notice to the owner for all purposes.

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e-Filed & e-Recorded in the  
Official Public Records of  
HARRIS COUNTY

STAN STANART

COUNTY CLERK

Fees \$36.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

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 this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



*Stan Stanart*

COUNTY CLERK  
HARRIS COUNTY, TEXAS

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