

**CERTIFICATE OF CORPORATE RESOLUTION OF
COMMUNITY ASSOCIATION OF PORTER RANCH
COLLECTION/PAYMENT PLAN POLICY**

WHEREAS, the Board of Directors ("Board") of Community Association of Porter Ranch ("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. 2019-62836, 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

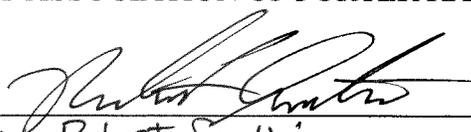
WHEREAS, the Board held a meeting on February 15, 2019, at which a majority of Directors were present and duly passed the resolution described hereinbelow.

NOW, THEREFORE, in furtherance of his duties as an officer of the Association, the undersigned officer of the Association, does hereby certify that at a duly constituted meeting of the Board held on February 15, 2019, 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 February 15, 2019 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.

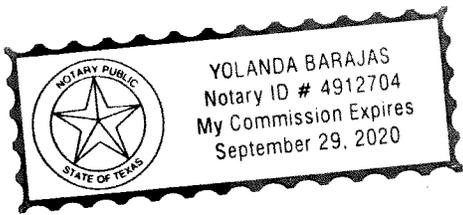
COMMUNITY ASSOCIATION OF PORTER RANCH

By: 
Name: Robert Santini
Title: President

RP-2020-53797

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on February 3, 2020 by Robal Santini, President of Community Association of Porter Ranch, a Texas non-profit corporation, on behalf of said corporation.



Yolanda Barajas
Notary Public, State of Texas

RP-2020-53797

**COMMUNITY ASSOCIATION OF PORTER RANCH
COLLECTION/PAYMENT PLAN POLICY
EFFECTIVE FEBRUARY 15, 2019**

A. INTRODUCTION

The Board of Directors (“Board”) of Community Association of Porter Ranch, (“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. 2019-62836, 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 February 15, 2019, 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

RP-2020-53797

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 Notice. On or after February 1, the Association will send the owner a reminder letter (“Reminder Notice”) by regular U. S. First-Class Mail showing that the account is delinquent and interest began accruing January 1. The Reminder Notice will direct the owner to make immediate payment of the delinquent balance and all interest owing thereon.
- (ii) Final Notice. The Association will send a 30-day notice letter (“Final Notice”) to the owner by certified mail, return receipt requested, and by regular U. S. First-Class Mail, showing that the account is delinquent, and that interest is accruing. The Final Notice will advise the owner that if the account is not paid within 30 days of receipt of the Final Notice, the Association intends to turn the account over to an attorney for further handling, and the owner will thereafter be responsible for the attorneys’ fees and costs incurred, and such fees and costs will be charged to the assessment account. The Final Notice will also inform the owner that pursuant to Chapter 209 of the Texas Property Code, the owner has the right to request a hearing before the Board. If the owner does not pay the delinquent balance in full or request a hearing within the 30-day period, the Association intends to thereafter pursue its remedies regarding the matter.
- (iii) 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.
- (iv) 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, 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 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.

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 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

RP-2020-53797

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.

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.

RP-2020-53797

RP-2020-53797
Pages 7
02/05/2020 11:13 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
DIANE TRAUTMAN
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.



Diane Trautman

COUNTY CLERK
HARRIS COUNTY, TEXAS

RP-2020-53797