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**CERTIFICATE OF CORPORATE RESOLUTION OF
BOARD OF DIRECTORS
WESTHOLLOW VILLA TOWNHOMES ASSOCIATION, INC.**

**APPLICATION OF PAYMENTS
AND
ALTERNATE PAYMENT SCHEDULES**

The undersigned Secretary of WESTHOLLOW VILLA TOWNHOMES ASSOCIATION INC., a Texas non-profit corporation (the "Association"), does hereby certify, that at a regular meeting of the Board of Directors of the Association held on January 17, 2012, with at least a majority of the Board of Directors being present, the following resolution was duly made and approved by the Board of Directors:

WHEREAS, pursuant to that certain "Declaration of Covenants, Conditions and Restrictions (for) WESTHOLLOW VILLA TOWNHOMES", recorded under County Clerk's File No. F190707 of the Real Property Records of Harris County, Texas and any and all amendments thereto (collectively referred to herein as the "Declaration", the Association is responsible for the administration and operation of the WESTHOLLOW VILLA TOWNHOMES Subdivision (the "Property") and the restrictive covenants set forth therein; and

WHEREAS, by this resolution, the Board of Directors wishes to adopt (i) a policy governing the APPLICATION OF PAYMENTS consistent with Section 209.0063 of the Texas Property Code, and (ii) a policy adopting alternate payment schedules consistent with the provisions of Section 209.0062 of the Texas Property Code; and to provide disclosure of such policies to current and future owners of lots at the Property as to same.

NOW THEREFORE, formal notice is hereby given to all current and future owners of lots at the Property as to the following policies of the Association:

SECTION I.

**ASSOCIATION POLICY
AS TO
APPLICATION OF PAYMENTS**

Except as provided below, any payment received by the Association from an owner of a lot ("Owner") at the Subdivision shall be applied to the Owner's obligations and debts to the Association in the following order of priority:

- (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;

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- (4) any attorney's fees incurred by the Association that are not subject to sub-paragraph (3) above;
- (5) any fines assessed by the Association; and
- (6) any other amount owed to the Association.

Provided, however, that in the event that an Owner enters into a payment plan with the Association as provided in Section II hereof, such payment plan shall provide for designated payments to be made to the Association in addition to, and separate from payments due or becoming due as to current assessments or other amounts due to the Association; and any payments made pursuant to any such payment plan shall be applied to the Owner's obligations under the payment plan.

Provided further, that if, at the time the Association receives a payment from an Owner, the Owner is in default under a payment plan entered into with the Association pursuant to Section II hereof, the Association shall not be required to apply the payment in the order of priority specified by this Section I. However, in applying the payment, a fine assessed by the Association may not be given priority over any other amounts owed to the Association.

SECTION II

ASSOCIATION POLICY AS TO ALTERNATE PAYMENT SCHEDULES

An owner of a lot in the subdivision ("Owner") delinquent in the payment of assessments (regular or special) to the Association may enter into an alternate payment schedule with the Association without incurring any additional monetary penalties. However, the term "monetary penalties" does not include reasonable costs associated with administering the payment plan or interest. The owner shall be responsible for the payment of the reasonable costs associated with administering the payment plan or interest.

Prior to the Association commencing any collection, foreclosure, or legal action against an Owner which would result in monetary penalties to such Owner (i.e. attorney fees, collection costs, etc.), the Association shall provide not less than ten (10) days written notice (the "Notice Period") to such Owner of such Owner's right to enter into a payment plan with the Association covering the amount then due to the Association.

The Association shall approve requests for payment plans for a term of not more than six (6) months, and not less than three (3) months.

In order for an Owner to exercise his/her/their right to enter into a payment plan with the Association, prior to the expiration of such the Notice Period, the Owner shall submit a written request for a payment plan to the Association or the Association's managing agent, and such request shall specify the term of the payment plan being requested by the owner.

The following administrative fees shall apply to any payment plan:

- (1) An initial administrative fee of \$25.00 to set up the payment plan must be paid by the Owner at the time the Owner submits his/her/their written request for such payment plan.
- (2) A monthly administrative processing fee of \$5.00 per month shall be added to the payment plan to defray the costs of processing payments under the plan. Such amount shall be added to the amount of the payment plan. For example, the monthly administrative fee for a three month payment plan would total \$15.00; the monthly administrative fee for a six (6) month payment plan would be \$30.00.

From and after the date of this Resolution, and for as long as the Association's present managing agent continues to manage the Association, the managing agent shall administer the payment plan, and all administrative fees (the initial administrative fee and the monthly administrative processing fees) shall be paid to the Association's managing agent. The monthly administrative processing fee shall be subject to increase to an amount not greater than \$25.00 per month in the event that there is any future change in the managing agent for the Association and such successor managing agent requires an increase in the monthly administrative processing fees.

The following terms shall apply to any payment plan:

- (1) Upon receipt of the \$25.00 initial administrative fee, the Association or its managing agent shall prepare a written Repayment Agreement and provide same to the Owner for execution and return.
- (2) All Repayment Plans shall require the payment of a down payment equal to fifteen percent (15%) of the total amount due to the Association as to the date of the Repayment Agreement.
- (3) As a condition precedent to the effectiveness of any payment plan, the Owner must sign and return the Repayment Agreement, and remit the required down payment, within two (2) business days after the Repayment Agreement is furnished to such Owner.
- (4) In addition to the installment payments for the past due amounts and

administrative costs, the owner must pay the regularly accruing monthly assessments prior to delinquency. Failure to pay any of the installments agreed to on or before the respective due date or the failure to pay the regular monthly assessments prior to delinquency shall result in the payment plan being automatically revoked and withdrawn and the Association shall be entitled to proceed with further collection, foreclosure, and legal action.

(5) During the term of any Repayment Agreement, if any payment made by the Owner or on the Owner's behalf (whether an installment payment under the Repayment Agreement or a regularly accruing assessment payment) is not paid upon presentment (i.e. NSF) or if any ACH payments are returned unpaid, same shall constitute an event of default under the Repayment Agreement and the Repayment Agreement shall be automatically revoked and withdrawn and the Association shall be entitled to proceed with further collection, foreclosure, and legal action.

(6) The entire remaining balance of any Repayment Agreement must be paid in full in the event that the Owner's property is sold (whether by a conventional sale, short-sale; irrespective of whether such closing occurs by virtue of a title company closing or otherwise) or any loans secured by liens against such property are refinanced during the term of the Repayment Agreement.

Pursuant to Section 209.0062(c) of the Texas Property Code, the Association is not required to enter into a payment plan with an owner who fails to honor the terms of a previous payment plan during the two (2) years following the owner's default under the previous payment plan.

The foregoing Policy shall govern payment plans entered into upon the request of an Owner prior to the Association's commencing collection, foreclosure, or legal action against an Owner. The Association may, but shall not be required to, approve a Repayment Agreement subsequent to such time that the Association has commenced collection, foreclosure, or legal action against such Owner on such terms, conditions and provisions as the Board of Directors shall agree, if any. If any such Repayment Agreement is approved, it shall also include any and all monetary penalties incurred to the date of such agreement (i.e., collection costs, attorney fees), and shall further include any additional attorney fees or other collection costs incurred in to prepare the agreement and administer such payment plan (such fees and collection costs to be paid directly to such third party(ies) providing such services).

Any notices required to be delivered pursuant to this Policy may be delivered by hand delivery, mail, e-mail, or facsimile.

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WESTHOLLOW VILLA TOWNHOMES ASSOCIATION, INC., a Texas non-profit corporation

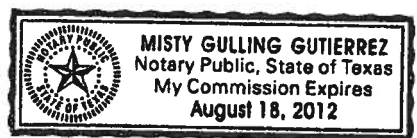
By: Michael Bailey, Secretary

STATE OF TEXAS §
COUNTY OF HARRIS §

RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

This instrument was acknowledged before me on this 17th day of January 2012 by Michael Bailey, Secretary of WESTHOLLOW VILLA TOWNHOMES ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.

Misty Gulling Gutierrez
Notary Public - State of Texas



RECORD AND RETURN TO: JJ
Frank, Elmore, Lievens,
Chesney & Turet, L.L.P.
Attn: Richard C. Lievens
9225 Katy Freeway, Suite 250
Houston, Texas 77024

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.

FILED FOR RECORD
8:00 AM

JAN 20 2012

Stan Stewart
County Clerk, Harris County, Texas

JAN 20 2012



Stan Stewart
COUNTY CLERK
HARRIS COUNTY, TEXAS

HP 080-69-0902