

Journal

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CUTTEN GREEN HOMEOWNERS ASSOCIATION, INC.

SECOND AMENDED RESOLUTION

COLLECTION POLICY FOR DELINQUENT ACCOUNTS

WHEREAS, the Board of Directors (the "Board") of CUTTEN GREEN HOMEOWNERS ASSOCIATION, INC. (the "Association") is charged with the responsibility of collecting assessments for common expenses from Owners of Cutten Green, Sections One (1) and Two (2) pursuant to the Declaration of Covenants, Conditions and Restrictions for Cutten Green, Section (1) dated February 12, 1985, and recorded at Harris County Clerk's File No. J994753 as amended and the Declaration of Covenants, Conditions and Restrictions for Cutten Green, Section Two (2), dated November 14, 1980, and recorded at Harris County Clerk's File No. G760511 (the "Declaration") as amended; and

WHEREAS, from time to time Owners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue; and

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WHEREAS, the Board has retained the firm of Bartley & Spears, P.C. for their experience in representing homeowners associations in collections and other matters (the "Association's Attorneys"); and

WHEREAS, the Board has directed the Association's Attorneys to represent the Association on the terms outlined in this Resolution;

NOW, THEREFORE,

BE IT RESOLVED that the Association's Attorneys shall pursue all collection and other matters which the Board, acting through Planned Community Management, Inc. (the "Manager"), may from time to time refer to them and to provide any advice and counsel which the Board may from time to time require; and

BE IT FURTHER RESOLVED that the Manager, acting on behalf of the Association, shall pay the Association's Attorneys their usual and customary charges for time incurred in connection with their representation of the Association, together with all costs incurred by the firm, including, but not limited to, fees and charges for filing, service of process, messenger

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service, photocopies, postage, long distance calls, investigator's services, credit reports, and title reports, promptly upon receipt of the monthly invoice; and

BE IT FURTHER RESOLVED that pursuant to paragraph 2, page 2 of the Amendment to Declaration for Cutten Green, Section One (1) and to Article IV, Section 8 of the Declaration for Cutten Green, Section Two (2) there is hereby levied against any assessment account which is not paid in full as of January 31 of the year in which it is due interest at an annual rate not to exceed the maximum rate permitted by law which the Association is authorized and directed to charge to and collect from any delinquent Owner; and

BE IT FURTHER RESOLVED that the Manager is directed to mail a Reminder Notice to every delinquent Owner on the first day of February of each year, which Reminder Notice shall be mailed no later than February 28 of each year and shall notify the delinquent Owner that if the balance due is not paid within thirty (30) days from the date of the Reminder Notice, a Lien Affidavit will be filed on behalf of the Association, which Lien is to be filed no later than March 31 of that year; and

BE IT FURTHER RESOLVED that the Manager is directed to file a Lien Affidavit against the delinquent lot if the account is not paid in full within thirty (30) days of the Reminder Notice and is further directed to send a copy thereof to the Owner; and

BE IT FURTHER RESOLVED that the Manager is directed to send to any Owner who has not paid the balance due within forty-five (45) days from the date of the Reminder Notice a Final Written Notice that if the account is not paid in full within ten (10) days, it will be turned over to the Association's Attorneys for collection, and the Owner will be liable for payment of all costs imposed by the Association's Attorneys to cover fees and costs charged to the Association; and

BE IT FURTHER RESOLVED that the Manager is directed to refer any account which remains delinquent for ten (10) days after the Final Written Notice to the Association's Attorneys for collection; and

BE IT FURTHER RESOLVED that the Manager is directed to consult with the Association's Attorneys and turn over for collection immediately any account where the Owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the lot; and

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent accounts turned over to the Association's Attorneys for collection:

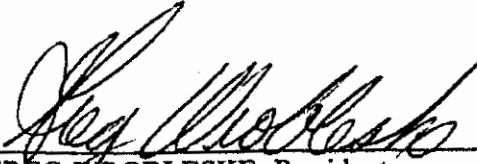
1. All contacts with a delinquent Owner shall be handled through the Association's Attorneys. Neither the Manager nor any Association officer or director shall discuss the collection of the account directly unless one of the Association's Attorneys is present or has consented to the contact.

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2. All sums collected on a delinquent account shall be remitted to the Association until the account has been brought current.
3. The Association's Attorneys' legal fees shall be assessed against each delinquent lot and its Owner (including repeat offenders) when incurred by the Association. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent lot and Owner and shall be collectable as an Assessment and personal obligation of the Owner as provided in paragraph 2, page 2 of Amendment to Declaration of Cutten Green, Section One (1) and Article IV(1)(b) of the Declaration of Cutten Green, Section Two (2).
4. The Association's attorneys shall give notice, as allowed in paragraph 2, page 2 of the Amendment to Declaration of Cutten Green, Section One (1) and Article IV, Section 8 of the Declaration for Cutten Green, Section Two (2), to the delinquent Owner that, if the delinquent account is not brought current within the time stated, or a satisfactory agreement has not been reached to accomplish this, court action or foreclosure will be pursued for satisfaction of such obligation.
5. To the extent that the Association's Attorneys, in their discretion, consider it to be appropriate in the circumstances, they are authorized to enter into an installment payment plan, secured by an Agreed Judgment, provided, however, that any payment plan which provides for monthly payments of the current assessment amount for a duration in excess of eighteen (18) months shall require the approval of the Board president.
6. Where, at the expiration of the period specified in the Association's Attorneys' demand letter, an amount remains delinquent and without a payment plan embodied in a signed Agreed Judgment and a signed Agreement Letter evidencing the terms of payment, or in the event of a default under that terms of the agreement, the Association's Attorneys are authorized to take such further action as they, in consultation with the Board president, believe to be in the best interest of the Association, including, but not limited to:
 - a. Filing suit against the Owner for money due pursuant to paragraph 2, page 2 of the Amendment to the Declaration for Cutten Green, Section One (1) and Article IV, Section 8 of the Declaration for Cutten Green, Section Two (2), and/or
 - b. Instituting a judicial action for foreclosure of the Association's lien, pursuant to paragraph 2, page 2 of the Amendment to Declaration for Cutten Green, Section One (1) and Article IV, Section 8 of the Declaration for Cutten Green, Section Two (2); or
 - c. Filing a Proof of Claim in bankruptcy.

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This Resolution was adopted by the Board of Directors on JULY 6,
19 95, and shall be effective on JULY 6, 1995.



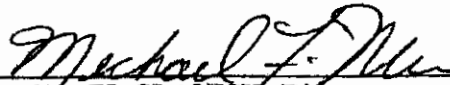
GREG WROBLESKE, President




TIM KIERSZ, Secretary



~~JANE HASBROUCK, Vice President~~
Norma Battista



~~MICHAEL SLAVISH, Director~~
MICHAEL F. MARLON



MIKE CHRIST, Director

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SECRETARY'S CERTIFICATE OF ADOPTION OF
SECOND AMENDED RESOLUTION BY BOARD OF DIRECTORS
OF
CUTTEN GREEN HOMEOWNERS ASSOCIATION, INC.

I, Tim Kiersz, certify that I am the duly qualified and acting Secretary of Cutten Green Homeowners Association, Inc., a duly organized and existing non-profit Texas corporation.

I further certify that the foregoing Second Amended Resolution was duly adopted by the Board of Directors of Cutten Green Homeowners Association, Inc. at a meeting that was legally held on July 6, 1995, and entered in the Minutes of the Meeting which are contained in the Minute Book of the Corporation.

Dated: 7/6/95

Tim Kiersz
TIM KIERSZ, Secretary

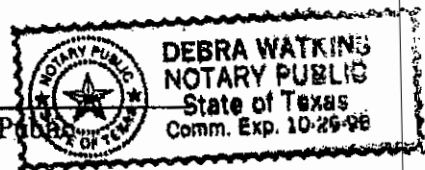
THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 6 day of July, 1995, by Tim Kiersz, Secretary of Cutten Green Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

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 on

Debra Watkins
Notary Public in and for
The State of Texas

JUL 26 1995



Printed Name of Notary Public _____

My Commission Expires: _____



Beverly B. Feigman
COUNTY CLERK
HARRIS COUNTY TEXAS

PREPARED IN THE LAW OFFICES OF:

BARTLEY & SPEARS, P.C.
14811 St. Mary's Lane, Suite 270
Houston, Texas 77079

AFTER RECORDING RETURN TO:

BARTLEY & SPEARS, P.C.
14811 St. Mary's Lane, Suite 270
Houston, Texas 77079

FILED FOR RECORD
8:00 AM

JUL 26 1995

Beverly B. Feigman
County Clerk, Harris County, Texas

RECORDER'S MEMORANDUM
ALL BLACKOUTS, ADDITIONS AND CHANGES
WERE PRESENT AT THE TIME THE INSTRUMENT
WAS FILED AND RECORDED.