

**CERTIFICATE OF CORPORATE RESOLUTION OF
VILLAGE OF EMERALD BAY HOMEOWNERS ASSOCIATION, INC.**

COLLECTION POLICY

6

WHEREAS, the Board of Directors ("Board") of Village of Emerald Bay Homeowners Association, Inc. ("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 acknowledged August 30, 2001 and recorded in the Office of the County Clerk of Brazoria County, Texas, under Clerk's File No. 01 043210, as 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, Article VI, Section 6.3 of the Bylaws provides that a majority of the number of Directors shall constitute a quorum for the transaction of business; and

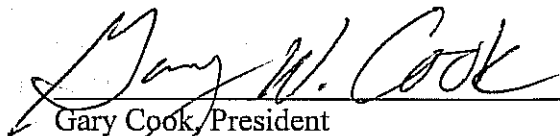
WHEREAS, the Board held a meeting on APRIL 8, 2008, at which a majority of Directors were present and duly passed the resolution described hereinbelow.

NOW, THEREFORE, in furtherance of their duties as officers of the Association, the undersigned, Gary Cook, President of the Association, and Andrew Pelter, Secretary of the Association, do hereby certify that at a duly constituted meeting of the Board held on APRIL 8, 2008, 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 Policy attached hereto and incorporated herein for all purposes, to be effective as of January 1, 2008.

EXECUTED on the dates of the acknowledgments set forth hereinbelow.

VILLAGE OF EMERALD BAY
HOMEOWNERS ASSOCIATION, INC.



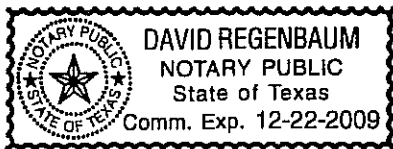
Gary Cook, President

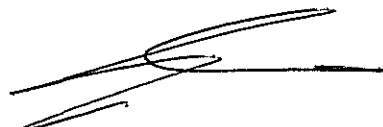


Andrew Pelter, Secretary

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on APRIL 8, 2008, by Gary Cook, President of Village of Emerald Bay Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

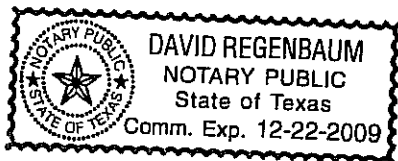


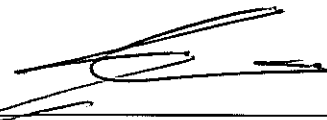


Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on APRIL 8, 2008, by Andrew Pelter, Secretary of Village of Emerald Bay Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.





Notary Public, State of Texas

WHEN RECORDED, RETURN TO:
Hoover Slovacek LLP
P. O. Box 4547
Houston, Texas 77210-4547

VILLAGE OF EMERALD BAY HOMEOWNERS ASSOCIATION, INC.
COLLECTION POLICY
EFFECTIVE JANUARY 1, 2008

A. INTRODUCTION

The Board of Directors ("Board") of Village of Emerald Bay Homeowners Association, Inc. ("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 acknowledged August 30, 2001 and recorded in the Office of the County Clerk of Brazoria County, Texas, under Clerk's File No. 01 043210, 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.

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 rate of 18% per annum 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) 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 Brazoria 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 and/or to vote on Association matters during any period for which the assessment is delinquent, 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 Board may, but shall not be obligated to, enter into a payment agreement ("Payment Agreement") with an owner who demonstrates a situation of bonafide personal hardship. The Association may require that the request for a Payment Agreement be in writing and describe the situation of personal hardship. All Payment Agreements must be in writing and signed by the owner. The Association shall determine minimum payment terms which are acceptable to the Association, in its sole discretion. However, in any event, a Payment Agreement shall require that the final payment thereunder shall be received by the Association no later than December 31 of the applicable year. Any account that is with the attorney must be paid in full to stop the legal action. 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.

E. PARTIAL PAYMENTS AND APPLICATION OF FUNDS

Partial payments will not prevent the accrual of interest on the unpaid portion of the assessment. The owner will still be considered to be delinquent upon making partial payment. As provided in the Declaration, payments received from an owner will be credited in the order of the following categories: interest, attorneys' fees, and other costs of collection, and then to assessments. The payment will be applied to the oldest amount due in each of such categories until charges in that category are paid in full, unless the Association elects to apply such charges in a different manner.

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.

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Official Public Records of
BRAZORIA COUNTY
JOYCE HUDMAN
COUNTY CLERK
Fees \$36.00

