

Adopt

**BILLING AND COLLECTION POLICY
FOR
SHERWOOD-ELM GROVE TRAIL COMMUNITY ASSOCIATION**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, Ernest E. McKinney, Secretary of Sherwood-Elm Grove Trail Community Association (the "Association"), certify that at a meeting of the Board of Directors of the Association (the "Board") duly called and held on the 0 day of MARCH, 2012, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Billing and Collection Policy was duly approved by a majority vote of the members of the Board:

RECITALS:

1. New laws relating to the collection of assessments by property owners' associations became effective on January 1, 2012.
2. The Board of Directors of the Association desires to adopt a Billing and Collection Policy consistent with new laws and the Declaration of Covenants, Conditions and Restrictions applicable to the various sections of Sherwood-Elm Grove Trail.

POLICY:

It is the policy of the Association to collect annual assessments which are not paid in a timely manner as follows:

1. Statements for Assessments. The Association shall send a statement for the annual assessment to each Owner in the month preceding the month in which payment of the annual assessment becomes due (i.e., in December). The statement shall be forwarded to an Owner at the last known mailing address of the Owner according to the records of the Association. It is the responsibility of the Owner to notify the Association in writing of a change in the Owner's mailing address. The submission of a check which sets forth an address for the Owner that is different from the mailing address previously provided by the Owner to the Association does not constitute written notice of a change of the Owner's mailing address.

2. Due Date. Annual assessments are due on the first (1st) day of January of each year. An annual assessment which is not received by the Association by January 31st of the year in which the annual assessment becomes due shall be deemed to be delinquent and shall bear interest at the rate of six percent (6%) per annum from the original due date (January 1st) until paid. A reasonable late fee in an amount to be determined by the Board may also be charged to the Owner of the property for which the annual assessment becomes delinquent.

3. Payments. The Association may allow Owners to pay annual assessments which have not become delinquent over time, so long as the payment plan is approved and the Owner signs the Association's payment agreement. Payments must be made at least on a monthly basis. A fee of \$5.00 will be charged for receiving and processing each payment.

4. Application of Payments. A payment received from an Owner shall be applied in the following order of priority:

- a. any delinquent assessment (annual assessment or special assessment);
- b. any current assessment (annual assessment or special assessment);
- c. any attorney's fees or third party collection costs incurred by the Association solely with assessments or any other charges that could provide the basis for foreclosure (i.e., charges secured by the Association's lien);
- d. any attorney's fees incurred by the Association that are not associated with assessments;
- e. any fines assessed by the Association; and
- f. any other amounts owed to the Association.

5. Insufficient Check. If an Owner submits a check in payment of all or some portion of the Owner's assessment account and the check is returned unpaid due to insufficient funds in the account, future payments of sums owed to the Association must be made by cashier's check or money order. The sum of \$25.00 shall be charged to an Owner for a check returned due to insufficient funds.

6. Notices. If an account becomes delinquent, a collection letter will be sent to the Owner of the property, the cost of which will be added to the Owner's assessment account. If an account remains delinquent on or after March 1st of the year in which the annual assessment becomes due, a Delinquency Notice shall be sent to the Owner. The Delinquency Notice shall be sent to the Owner by certified mail, return receipt requested, and shall:

- a. specify each delinquent amount and the total amount of the payment required to make the account current;
- b. advise the Owner of the availability of a payment plan in accordance with the Association's recorded Payment Plan Policy;
- c. provide a period of at least thirty (30) days to cure the delinquency before further collection action is taken; and
- d. advise the Owner that if, after the thirty (30) day period has expired, the Owner has not entered into a payment plan and account remains delinquent, the account will be referred to the Association's attorney and any fees and costs thereafter incurred by the Association will be added to the Owner's account in accordance with the Declaration of Covenants, Conditions and Restrictions.

7. Suspension of Privileges. If an Owner's assessment account becomes delinquent, the Association may also suspend the Owner's right to use the recreational facilities of the Association after giving written notice to the Owner in accordance with Section 209.006 of the Texas Property Code. The suspension of an Owner's right to use the recreational facilities of the Association shall be in addition to, not in lieu of, all other remedies available to the Association for non-payment of assessments.

8. Attorney Action. If, after a Delinquency Notice is sent to an Owner, the Owner fails to respond to request a payment plan or pay the amount required to make the account current within thirty (30) days, the account will be referred to the Association's attorney for collection. The Association's attorney will forward a thirty (30) day demand for payment to the

Owner, which demand shall also advise the Owner that the failure to pay the amount due may result in further legal action, including foreclosure of the Association's lien. Provided that, action to foreclose the Association's lien shall not be commenced unless authorized by the Board of Directors of the Association.

9. **Payment Plan.** Any payment plan entered into by and between the Association and an Owner after an account becomes delinquent shall be in accordance with the Association's recorded Payment Plan Policy.

I hereby certify that I am the duly elected, qualified and acting Secretary of the Association and that the foregoing Billing and Collection Policy was approved by a majority vote of the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Harris County, Texas.

TO CERTIFY which witness my hand this the 8 day of MARCH, 2012.

FILED

2012 APR 24 PM 3:41

Stan Stewart
COUNTY CLERK
HARRIS COUNTY TEXAS

SHERWOOD-ELM GROVE TRAIL COMMUNITY ASSOCIATION

By: _____
Print Name: Ernest F. McKeelroy
Secretary

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

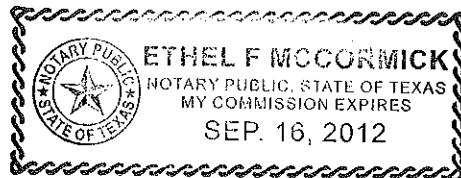
THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 8 day of March, 2012 personally appeared Ernest F. McKeelroy, Secretary of Sherwood-Elm Grove Trail Community Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and in the capacity therein expressed.

Ethel F. McCormick
Notary Public in and for the State of Texas

Return to:
Rick S. Butler
Butler | Hailey
8901 Gaylord, Suite 100
Houston, Texas 77024

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PP 081-93-2147

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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.

APR 24 2012



Stan Stewart
COUNTY CLERK
HARRIS COUNTY, TEXAS