

ROYAL OAKS RESIDENTIAL COMMUNITY OWNERS ASSOCIATION, INC.

11200 Richmond Avenue, Suite 650
Houston, Texas 77082
Telephone (713) 600-3450 • Facsimile (713) 600-3451
www.rorcoa.com

CERTIFICATE OF CORPORATE RESOLUTION

I CERTIFY THAT:

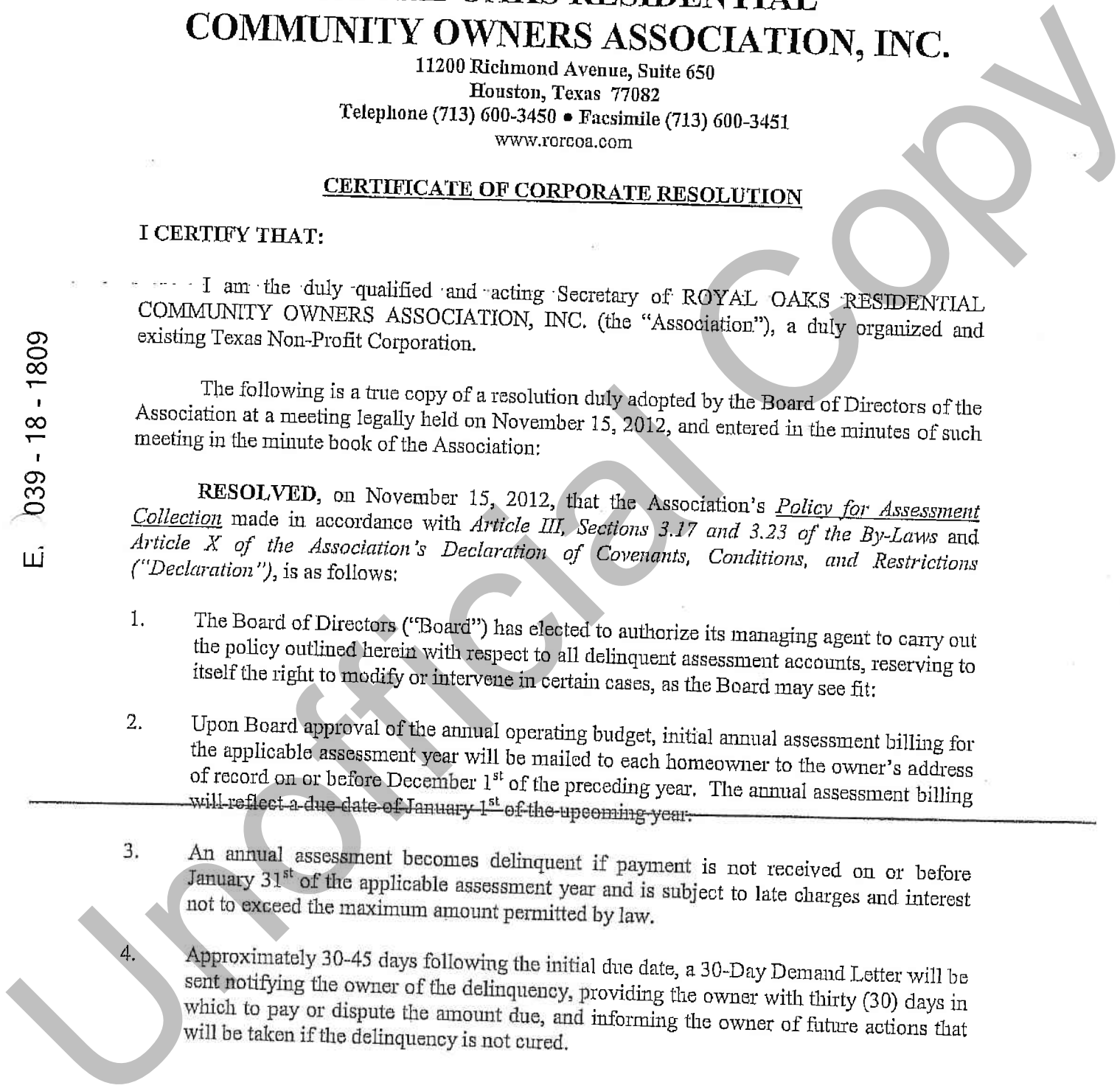
I am the duly qualified and acting Secretary of ROYAL OAKS RESIDENTIAL COMMUNITY OWNERS ASSOCIATION, INC. (the "Association"), a duly organized and existing Texas Non-Profit Corporation.

The following is a true copy of a resolution duly adopted by the Board of Directors of the Association at a meeting legally held on November 15, 2012, and entered in the minutes of such meeting in the minute book of the Association:

RESOLVED, on November 15, 2012, that the Association's *Policy for Assessment Collection* made in accordance with *Article III, Sections 3.17 and 3.23 of the By-Laws* and *Article X of the Association's Declaration of Covenants, Conditions, and Restrictions* ("Declaration"), is as follows:

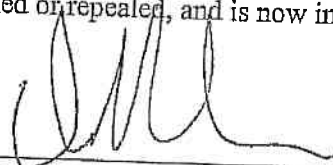
1. The Board of Directors ("Board") has elected to authorize its managing agent to carry out the policy outlined herein with respect to all delinquent assessment accounts, reserving to itself the right to modify or intervene in certain cases, as the Board may see fit;
2. Upon Board approval of the annual operating budget, initial annual assessment billing for the applicable assessment year will be mailed to each homeowner to the owner's address of record on or before December 1st of the preceding year. The annual assessment billing will reflect a due date of January 1st of the upcoming year.
3. An annual assessment becomes delinquent if payment is not received on or before January 31st of the applicable assessment year and is subject to late charges and interest not to exceed the maximum amount permitted by law.
4. Approximately 30-45 days following the initial due date, a 30-Day Demand Letter will be sent notifying the owner of the delinquency, providing the owner with thirty (30) days in which to pay or dispute the amount due, and informing the owner of future actions that will be taken if the delinquency is not cured.

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5. Approximately 60-75 days following the initial due date, a title search shall be ordered, the cost of which shall be added to the owner's account.
6. Upon receipt of the title search, a Pre-Lien Notification Letter will be sent informing the owner that the aforementioned cost has been added to their account and that if payment in full is not received within ten (10) days an assessment lien will be filed against the owner's property, the cost of which will be added to the owner's account. The lien will be recorded in the Real Property Records of Harris County, Texas.
7. Upon preparation of an assessment lien, a Lien Notification Letter will be sent advising the owner of the filing of the assessment lien, the associated cost added to the owner's account, and that the owner's account has been turned over to the Association's attorney for further collection proceedings.
8. After 30 days written notice providing the homeowner with an opportunity for a hearing before the Board or a Committee appointed by the Board, the Association may de-activate owner and/or resident transponders or EZ tags until such time as the owner's delinquent account is paid in full. During the time that the delinquent amount remains unpaid and transponder and EZ tags are de-activated, residents shall be required to utilize the main gate for ingress and egress from the community.
9. 30-Day Demand Letters, Pre-Lien Notification Letters, and Lien Notification Letters will be sent to all delinquent accounts with a balance of 25% of the annual assessment rate or more.
10. All assessment accounts are subject to charge-backs including administrative costs, costs of collection and attorney's fees (as applicable).
11. Payments shall be applied in the following order:
 - i. Costs of Collection, including Attorney's Fees
 - ii. Fines and Specific Assessments
 - iii. ~~Miscellaneous and reimbursable expenses~~
 - iv. Late charges and interest
 - v. Special Assessments
 - vi. Annual Assessments

This resolution has never been modified or repealed, and is now in full force and effect.



Printed Name: Donna Uliva
Office Held: Secretary

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned authority, a Notary Public in and for the State of Texas, do hereby certify that on this the 15th day of November, 2012, personally appeared before me Donna Uliva, a person known to me, who being by me first duly sworn, declared that she is the person who signed the foregoing document as Secretary of ROYAL OAKS RESIDENTIAL COMMUNITY OWNERS ASSOCIATION, INC., a Texas Non-Profit Corporation, and that the statements therein contained are true.

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NOEE

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



Shahnaz Naeem
11-29-2012

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Unofficial Copy

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20120567762
Pages 4
12/10/2012 09:33:20 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees 24.00

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.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS

NOTICE
S.

2013 POLICY FOR COLLECTION OF ANNUAL ASSESSMENTS

ROYAL OAKS RESIDENTIAL OWNERS ASSOCIATION, INC.
(enter association name)

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THIS POLICY IS EFFECTIVE JANUARY 1, 2013 AND REPLACES ANY & ALL PRIOR COLLECTION POLICIES.

The Board of Directors of each a Association has an obligation to collect all Association assessments to pay for the maintenance and replacement of common area property and other association expenses. The Association is entitled to recover assessments, reasonable collection costs, reasonable attorney's fees, late fees and interest when assessments are not paid on time. The following collection policy for 2013 has been adopted by the Board of Directors. Please note that Principal Management Group has a monthly \$20.00 handling charge per delinquent account. This fee will remain in effect until account balance is under defined delinquent amount.

As a courtesy, the Association sends annual billing statements to owners. Owners are responsible for timely payment of all charges when due. Payment of the regular assessment due date is on January 1st. Annual assessments must be paid in full on or before January 31st.

Collection of Delinquent Assessments shall occur as follows:

Step 1: 209 Demand Letter - First Notice

(occurs in February)

THIS STEP IS MANDATORY

First notice is 209 Demand Letter notifying homeowner of delinquency (past due 30 days) and the future steps which will occur if homeowner does not make payment. This letter allows the owner thirty (30) days to pay in full, request a payment plan per the adopted Resolution by the Association, or dispute their balance. The letter also informs the owner of future actions if payment is not received.

Suspension of Privileges: To the extent authorized in the Association's Bylaws and Declaration of Covenants, Conditions, Restrictions, and Easements, the Homeowner's privileges as outlined will be suspended until all accounts are paid in full and brought current.

Send initial demand letter to those accounts whose balance is more than \$ 823.75

Step 2: Second Notice -- Notification of Credit Bureau

(occurs in March)

Upon expiration of the first notice, a second notice which is the credit bureau notification letter will be sent (at 60 days) to the delinquent homeowners reflecting the past due assessments, penalties, late fees and collection costs. All such accounts will be reported to the credit bureau as well as inform of the future collection steps.

Please note the amount you select must be equivalent or greater than the amount selected in the last step.

Perform credit bureau reporting for those accounts whose balance is more than \$ _____

Cost of credit bureau filing is \$ 60.00 per account plus applicable sales tax; total of \$64.95.

We authorize PMG to move forward on this step without Board review.

We require that PMG provide delinquent list to Board for review and approval prior to moving forward with this step. Board approval is required within 7 calendar days from original date of notification from Community Manager. If response is not received by the 8th calendar day then PMG Collection Department will move forward based on the dollar amount provided in relation to this step.

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Step 3: Title Search
(occurs in April)

All accounts past due 75 days will be charged for title search if no communication has taken place between the Homeowner and the Managing Agent. No letter of notice shall be required to perform the title search at the 75 day mark.

Please note the amount you select must be equivalent or greater than the percentage selected in the last step.

Perform title searches for those accounts whose balance is more than \$ 823.15

Cost of title search filing is \$ 55.00 per account plus applicable sales tax; total being \$59.54.

We authorize PMG to move forward on this step without Board review.

We require that PMG provide a recommended list to Board for review and approval prior to moving forward with this step. Board approval is required within 7 calendar days from original date of notification from Community Manager. If response is not received by the 8th calendar day then PMG Collection Department will move forward based on the dollar amount provided in relation to this step.

Step 4: Third Notice (Lien filing / Attorney Turnover)
(occurs in May)

In order to order a lien, per legislation, a title search must be performed to ensure accurate ownership of property. Upon expiration of the second notice, a lien notification letter will be sent (at 90 days) to the delinquent homeowners reflecting the past due assessments, penalties, late fees and collection costs. All such accounts will have an assessment lien filed against the respective property. The lien will be recorded in the Real Property records of the respective county courthouse.

In addition to filing an assessment lien, the delinquent account will be forwarded to the association attorney for further collection proceedings. The delinquent homeowner will receive a lien notification letter which also states that the delinquent account has been turned over to the association's attorney to continue collection process.

LIEN PROCESS

YES NO Does the association want liens to be filed (Circle Yes or No)

Cost of lien filing is \$ 140.00 per account plus applicable sales tax; total being \$151.56.

We authorize PMG to move forward with lien filing without Board review.

We require that PMG provide a recommended list to Board for review and approval prior to moving forward with this step. Board approval is required within 7 calendar days from original date of notification from Community Manager. If response is not received by the 8th calendar day then PMG Collection Department will move forward based on the dollar amount provided in relation to this step.

ATTORNEY PROCESS:

YES NO Does the association want accounts to be turned over to the attorney (Circle Yes or No)

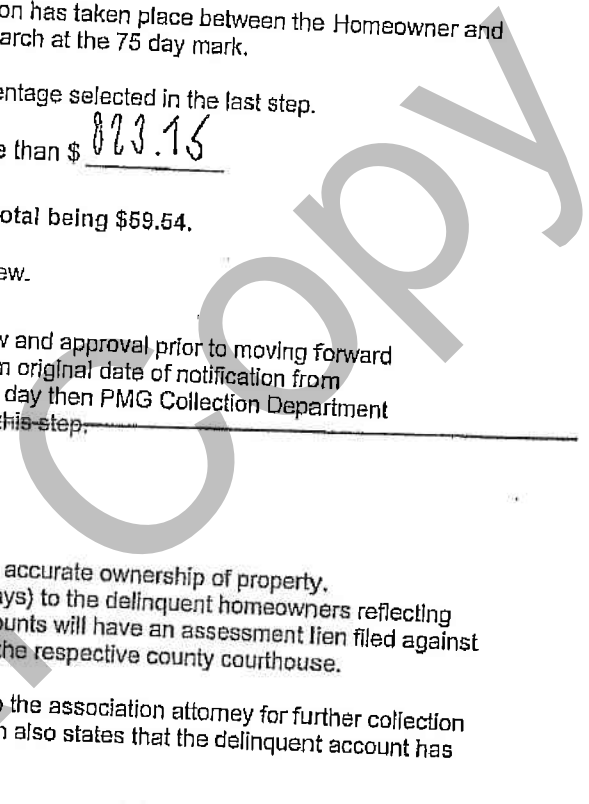
We authorize PMG to move forward with attorney turnover without Board review. A fee of \$25.00 will be charged to the owner's account for preparing & forwarding the necessary documents to the Association.

We require that PMG provide a recommended list to Board for review and approval prior to moving forward with this step. Board approval is required within 7 calendar days from original date of notification from Community Manager. If response is not received by the 8th calendar day then PMG Collection Department will move forward based on the dollar amount provided in relation to this step.

Please note the amount you select will apply to both lien filings and attorney turnover which must be equivalent or greater than the amount selected in the last step.

Perform lien filings and/or attorney turnover on those accounts whose balance is more than \$ 823.15

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Low Balance Statements:

Each collection run Principal Management Group will send a statement to those homeowners who have not paid their assessments in full but are below the minimum balances set by the Board of Directors to pursue collections in the four steps above. The cost of low balance statements, postage, processing & envelopes will be charged per the Management Contract.

<input checked="" type="radio"/> YES	<input type="radio"/> NO	Association approves the mailing of Statements by PMG (Circle Yes or No)
<input checked="" type="checkbox"/> Monthly	<input type="checkbox"/> Quarterly	<input type="checkbox"/> Bi-Annual

Low Balance Accounts:

Principal Management Group will write off small balances on those homeowners whose accounts are not paid in full. This amount is set by the Board of Directors.

Please fill in the maximum amount to be written off below.

The Board of Directors authorizes PMG to write off account balances of \$40,000 and below without additional approval.

Payment Plans:

Principal Management Group will set up payment plans per the adopted Resolution by the Association when requested by an owner. If the homeowner requests more than approved number of months as indicated in the adopted Resolution by the Association, then the accounting department will notify the managers who will consult with the Board of Directors prior to making an agreement. Each property that is placed on a payment plan will be charged a service charge of \$ 20.00 per month for each month they are on the plan which will be reimbursed from the Association to Principal Management Group when the homeowner makes payment. In addition, the homeowner will be charged applicable late interest due to the association. *Per Section 209.0062 of the Texas Property Code, effective January 1, 2012, the Association is not required to offer a payment plan if an owner has defaulted on a payment plan in the last two (2) years.*

EXECUTED the 29th day of November, 2012

Association Name _____

By: [Signature]
Authorized Board Member
DONNA ULIVA
Printed Name

THE STATE OF TEXAS:

COUNTY OF Harris:

The foregoing instrument was acknowledged before me on the 29th day of November, 2012
by DONNA ULIVA

Shahvaz Naeem
Notary Public -- State of Texas

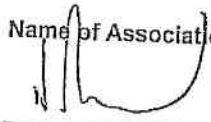


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Information to be filled out by Community Association Manager:

Name of Association of Attorney: HOOVER SLOVACEK

Phone: 713-977-8606



Signature of Manager

11-15-12

Date

Information to be filled out by Accounting Department

Date policy received in Accounting: _____

Is Association tax-exempt? Yes or No .

CB: _____

ITS: _____

LN: _____

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Unofficial Copy

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Pages 5
12/10/2012 09:33:20 AM
e-Filed & e-Recorded in the
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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.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS