

ASSESSMENT COLLECTION POLICY
for
STONE FOREST HOMEOWNERS ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, Kristi Hendrickson, Secretary of Stone Forest Homeowners Association, Inc. (the "Association"), do hereby certify that at a meeting of the Board of Directors of the Association ("Board") duly called and held on the 6th day of December, 2011, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Assessment Collection Policy was duly approved by a majority vote of the members of the Board.

RECITALS:

1. The Board enforces the provisions of the Declaration applicable to Stone Forest to address the collection and processing of assessments and associated charges.
2. The Board desires to adopt an Assessment Collection Policy consistent with the Dedicatory Instruments of the Association and state law.

WITNESSETH:

It is the policy of the Association to enforce the provisions of the Declaration applicable to Stone Forest in accordance with the following policy:

Section 1. Definitions. Capitalized terms used in this Policy have the following meanings:

- 1.1. **Assessment** - The annual and special assessments as provided in the Declaration.
- 1.2. **Declaration** - shall mean the following:
 - Declaration of Covenants, Conditions and Restrictions for Stone Forest recorded in the Official Public Records of Real Property of Harris County, Texas under County Clerk's File No. V411204;
 - Amendment to the Declaration of Covenants, Conditions and Restrictions for Stone Forest recorded in the Official Public Records of Real Property of Harris County, Texas under County Clerk's File No. W157043;
 - Declaration of Annexation Stone Forest Section Two recorded in the Official Public Records of Real Property of Harris County, Texas under County Clerk's File No. W137278;
 - Declaration of Annexation Stone Forest Section Three recorded in the Official Public Records of Real Property of Harris County, Texas under County Clerk's File No. W137279;
 - Declaration of Annexation Stone Forest Section Four recorded in the Official Public Records of Real Property of Harris County, Texas under County Clerk's File No. Y303258; and

- Any subsequent amendments and supplements.

1.3. Dedicatory Instruments - Each document governing the establishment, maintenance or operation of the properties within Stone Forest, as more particularly defined in Section 202.001 of the Texas Property Code.

1.4. Stone Forest - shall mean the following:

- Stone Forest, Section One (1), a subdivision in Harris County, Texas according to the map or plat thereof, recorded under Film Code No. 479098 of the Map Records of Harris County, Texas and all amendments to or replats of said maps or plats, if any.
- Stone Forest, Section Two (2), a subdivision in Harris County, Texas according to the map or plat thereof, recorded under Film Code No. 521144 of the Map Records of Harris County, Texas and all amendments to or replats of said maps or plats, if any.
- Stone Forest, Section Three (3), a subdivision in Harris County, Texas according to the map or plat thereof, recorded under Film Code No. 521148 of the Map Records of Harris County, Texas and all amendments to or replats of said maps or plats, if any.
- Stone Forest, Section Four (4), a subdivision in Harris County, Texas according to the map or plat thereof, recorded under Film Code No. 567192 of the Map Records of Harris County, Texas and all amendments to or replats of said maps or plats, if any.

Other capitalized terms used herein have the same meanings as that ascribed to them in the Declaration.

Section 2. Due Date. Each annual assessment shall become due and payable in advance on the first day of January. The special assessment due dates will vary depending on membership vote approving same.

Section 3. Cost Recovery. As provided in the Declaration, if Assessments are not paid by the Due Date, such Assessments shall become delinquent and shall together with interest, attorney's fees, court costs and the other costs of collection thereof, be a charge on the land, shall be secured by a continuing lien upon the property and shall be the personal obligation of the Owner. All costs, expenses, and fees charged to, or paid by, the Association collecting, or attempt to collect, Assessments shall be assessed against the Owner as and when incurred.

Section 4. Delinquency Processing. The delinquent date for all Assessments will be thirty (30) days from the Due Date.

Section 5. Notices. All notices sent to the Owner, other than the Past Due Notice, shall contain notice of the amount then due, the next step to be taken, and the additional charges that will be assessed with the next step.

- 5.1. **First Delinquent Notice.** Shall be sent by March 1st of each year, regular first class mail.
- 5.2. **Second Delinquent Notice.** Shall be sent by April 1st of each year, regular first class mail.
- 5.3. **Third Delinquent Notice.** Pursuant to Section 209.0062 of the Texas Property Code, this notice must be sent via certified mail/return receipt requested and it must (i) specify each delinquent amount and the total amount of the payment required to make the account current, (ii) advise the Owner of payment options per the Association's Payment Plan Policy adopted in accordance with Section 209.0062 of the Texas Property Code ("Payment Plan Policy"), and (iii) provide at least thirty (30) days to cure the delinquency before further action is taken (which will include turning the delinquency over to the Association's attorney to commence collection activities for which the Owner will be responsible for all attorney's fees).

Additionally, if an Owner's use rights in the common area are to be suspended, the notice will include the notice and right to hearing provisions of Section 209.006 of the Texas Property Code.

Section 6. Interest and Late Fees. As provided in the Declaration, if the Assessment is not paid within thirty (30) days of the Due Date, the Assessment shall bear interest from the Due Date at the rate of 18% per annum. Additionally, if not paid within thirty (30) days after the due date a late fee of \$10.00 per month will also become due from the Owner (unless the Owner enters a payment plan in accordance with Section 7 below, in which case no late fees will be charged so long as the Owner remains current under the Payment Plan Policy).

Section 7. Payment Plan and Partial Payments. All Owners will be offered a payment plan in accordance with the Association's Payment Plan Policy. The Association is not required to enter into a payment plan with an Owner who failed to honor the terms of a previous payment plan during the two (2) years following the Owners default under the previous payment plan. Partial payments shall be posted in accordance with Section 209.0063 of the Texas Property Code. Any payment for less than the full amount due at the time payment is made shall not constitute waiver or forgiveness of the remaining balance.

Section 8. Dishonored Checks. Checks dishonored by the bank (e.g., NSF checks) shall be re-deposited, if possible. Checks that cannot be re-deposited shall incur a dishonored check processing cost to offset the additional processing involved, and a Dishonored Check Notice shall be sent requesting payment in full by cashier's check or money order. Ten (10) days (or more) after the mailing of the Dishonored Check Notice, normal delinquency processing shall be initiated or continued, as appropriate. Bank fees charged to the Association because of the dishonored check shall be charged against the Owner's account and the amount of the Dishonored Check shall be reposted to the Owner's account as allowed by law.

Section 9. Owner's Address. It is the responsibility of each Owner of a Lot in Stone Forest to provide the Owner's mailing address to the Association and to promptly notify the Association in the event the Owner's mailing address changes. Notice of the Owner's mailing address or a change of the Owner's mailing address must be provided to the Association in writing. Unless the Association is otherwise notified in writing, the Owner's mailing address shall be deemed to be the address of the Owner's property in Stone Forest or the last alternative mailing address provided to the Association by the Owner in writing. All notices to an Owner

