



2013 POLICY FOR COLLECTION OF ANNUAL ASSESSMENTS

Clearwater Cove POA

(enter association name)

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.

[X] Send initial demand letter to those accounts whose balance is more than \$ 300.00

Step 2: Second Notice - Notification of Credit Bureau - No-Other-than-Statement (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.

Step 3: Title Search - No
(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 \$ _____

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 \$151.55.

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. *MUST HAVE BOARD APPROVAL*

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 \$ _____

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.

YES NO Association approves the mailing of Statements by PMG (Circle Yes or No)
 Monthly Quarterly 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 \$50.00 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 30 day of JANUARY, 2013.

CLEAR WATER COVE POA
Association Name

By: M.D. Hartnett, Sec'y./TREAS.
Authorized Board Member

M.D. HARTNETT
Printed Name

THE STATE OF TEXAS:

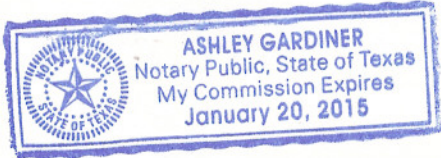
COUNTY OF _____:

The foregoing instrument was acknowledged before me on the 30 day of Jan, 2013

by M.D. Hartnett

[Signature]

Notary Public - State of Texas



Information to be filled out by Community Association Manager:

Name of Association of Attorney: Daughtey & Sordan Phone: 281-480-6888
Michael Hessel 1/30/13
Signature of Manager Date

Information to be filled out by Accounting Department

Date policy received in Accounting: _____

Is Association tax-exempt? Yes or No

CB: _____ TTS: _____ LN: _____

Aster Recording Returns
Principal Management Group
1100 Corporate Center Drive, Suite 150
Houston, TX 77041

FILED FOR RECORD

03/18/2013 3:28PM



COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in file number
sequence on the date and at the time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

03/18/2013



County Clerk
Montgomery County, Texas