

**RESOLUTION REGARDING
FAIRWAY HOMEOWNER'S ASSOCIATION, INC. (FHA)
ADOPTION OF COLLECTION POLICY**

WHEREAS, Chapter 204 of the Texas Property Code authorizes the Board of Directors to adopt and amend rules regulating the collection of delinquent assessments and the application of payments; and

WHEREAS, such rules are necessary to the fair, efficient and cost effective management of the Association;

NOW THEREFORE, BE IT RESOLVED THAT: the following collection policy is hereby adopted:

FAIRWAY HOMEOWNERS ASSOCIATION, INC.

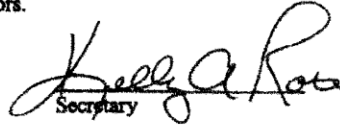
**COLLECTION PROCEDURES
MONTHLY ASSESSMENTS**

ACTION BY ASSOCIATION:

1. Coupons will be sent out in December of each year setting out the monthly assessment for the following year, the due date and the date the late fee will be assessed and the amount. In accordance with the by-laws, owners are to receive 30 days notice each year on the monthly assessment. Payments are due on the fifth of every month. Payments made after the 15th of the month will be assessed a \$10 late fee. Only one late fee per monthly assessment will be charged. Those preferring to make quarterly or semiannual payments should do so at the beginning rather than the end of the period.
2. First late notices to go out the second month that the assessment is not paid on the day after the late fee is assessed. (16th of the month)
3. Second notice to go out third month that assessment is past due (16th of the month) stating if payment is not made will go to an attorney.
4. Once a payment is turned over to the attorney, the owner will be charged interest at six percent plus attorney fees. Any attorney fees incurred in collection matters will be the obligation of the owner whose assessments are or were past due, whether or not suit is filed or foreclosure proceedings are instituted.

7. Suit will be filed in JP Court. The constable's office will serve notice of the suit. The homeowner must answer the first Monday after 10 days from the date of service or a default judgment can be taken. The judgment will include attorney's fees and costs of court.
8. Foreclosure will be used when necessary because the past due amount is over \$1,000.00 or if there is a new owner and the Association cannot collect from the previous owner or if the homeowner is not making payment on a former judgment as agreed and additional fees come due. Board approval will be required prior to foreclosure proceedings, or any time there are extraordinary conditions.

Adopted this 23rd day of May, 2001, by a majority of the Board of Directors present at a meeting of the Board of Directors.


Secretary