

RESOLUTION ADOPTING COLLECTION POLICY FOR
SUMMERFIELD RESIDENTS ASSOCIATION, INC.

(Approved by unanimous vote on November 28th, 2001)

(a) *Due Dates.* The annual assessment as determined by the Association and allowed for in the Declaration, Articles of Incorporation, and Bylaws shall be due and payable in two equal installments due on the first day of November (for the following years dues), and the first day of March. Assessments or other charges not paid to the Association by the first day of the month in which they are they are due shall be considered past due and delinquent.

(b) *Invoices.* The Association may, but shall not be required to, invoice an owner as a condition to an owner's obligation to pay assessments or other charges of the Association. If the Association provides an owner with an invoice for assessments, although invoices are not required, the invoice should be mailed or sent to the owner by the first day of the month preceding each due date. Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by the due date.

(c) *Late Charges Imposed on Delinquent Installments.* An assessment shall be past due and delinquent if not paid by the first day of the month in which it is due. The Association shall impose a 10% late charge on the outstanding or past due balance then due the Association. The late charges shall be the personal obligation of the owner(s) of the lot for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth above) for payments of assessments.

(d) *Interest.* The Association shall impose interest of 18% per annum on any unpaid balance. The interest shall be the personal obligation of the owner(s) of the lot for which such assessments or installment is unpaid. All interest shall be due and payable immediately, without notice, in the manner provided by the Declaration (as set forth above) for payment of assessments.

(e) *Return Check Charges.* In addition to any and all charges imposed under the Declaration, and Articles of Incorporation, The Rules and Regulations of the Association, or these By-Laws, a fee of ten percent (10%) of the check amount or \$25, whichever is greater, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. The Association may additionally charge any amount that is charged to by the Association's bank. This returned check charge shall be a "common expense" for each owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned charges shall be the obligation of the owner(s) of the lot for which payment was tendered by the Association. Return check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, or Rules and Regulations. If an owner's check is returned unpaid by a bank, the Association may request that the amount due be payable by certified check or money order. If two or more of an owner's checks are returned unpaid by the bank in any fiscal year, the association may require that all of the owner's future payments, for the period of one year, be made by certified check or money order.

(f) *Attorney's Fee on Delinquent Accounts.* As an additional expense permitted under the Declaration, Articles, Bylaws, and statutes, the Association shall be entitled to recover its reasonable attorney's fees and collection costs incurred in the collection of assessments or other charges due the Association from the delinquent owner. The reasonable attorney's fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

(g) *Order of Application of Payments.* Application for payments made to the Association Payments received from an owner will be credited in the following order:

Charges for legal fees, court costs and other costs of collection

All late charges and interest accrued, as applicable

All other charges incurred by the Association as a result of any violation by an Owner, his/her family, employees, agents or licensees, of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations or Resolutions.

The annual assessment for a lot, including any accelerated or special assessment due, as applicable; payments shall be applied toward the oldest payments then owed.

(h) *Collection Letters.*

(A) After an assessment or other charge due the Association becomes past due, the Association may cause, but shall not be required to send, a “late notice” to the lot owner. The Association may simultaneously send a copy of the notice to the mortgage lender of the lot.

(B) If payment in full is not received when due within 30 days, the Association may, but shall not be required to, send a “Notice of Intention to Refer Account to the Attorney” to the lot owner. The Association may simultaneously send a copy of the notice to the mortgage lender of the lot.

(i) *Use of Certified Mail/Regular Mail.* In the event the Association shall send a collection or demand letter or notices to the delinquent owner by regular mail, the Association may also send, but shall not be required to send, an additional copy of that letter or notice by certified mail.

10. (j) *Liens.* The Association may file a Notice of Lien against the property of any delinquent owner in accordance with the terms and provisions of the Declaration, Articles of Incorporation, and Bylaws. A copy of the Notice of Lien may be mailed to the Owner and may be sent to the Mortgage Lender with a request that the lender send a letter to the delinquent Owner advising the Owner of the lender’s option to accelerate the mortgage debt. Lien charges may include an additional filing fee, recording fee, and release fee.

(k) *Referral of Delinquent Accounts to Attorneys.* The Association may, but shall not be required to, refer delinquent accounts to its attorney for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred. The attorney is to consult with the Association at all times to determine if payment has been arranged or which collection procedure is appropriate.

(l) *Referral of Delinquent Accounts to Collection Agencies.* The Association may, but shall not be required to, refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.

(m) *The Association may grant a waiver of any provision upon petition in writing by an owner showing a personal hardship.* Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

(n) *Ongoing Evaluations.* Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis.