

SUTHERLAND COMMUNITY ASSOCIATION, INC.
RESOLUTION #1

ENFORCABLE THROUGH THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND BYLAWS

Collection Policy

WHEREAS, Section 2 of the Declaration of Covenants, Conditions, and Restrictions states the right of the Community Association to suspend the voting rights and the right to use common areas for any period during which any assessment against a lot remains unpaid, and for a period of time for any infraction of its published rules and regulations; and,

WHEREAS, Section 11 of the Declaration of Covenants, Conditions, and Restrictions states that any assessment not paid by the due date shall bear interest from the due date at the rate of 10% per annum, and the Community Association may bring an action at law against the lot owner personally obligated to pay the assessment, or foreclose the lien against the property, and interest, costs and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessments; and,

WHEREAS, Item 5 of the Bylaws states that the Board of Directors is to fix the annual assessments at an amount sufficient to meet the obligations, set the date assessments are due, and decide what interest rate is to be applied to assessments which remain unpaid after the due date, send written notice of each assessment to every tract owner at least thirty (30) days in advance of the due date, file liens for unpaid assessments, and adopt and publish rules and regulations, including fees, if any, governing the use of the common area and facilities, and enforce these rules and regulations; and,

WHEREAS, Item 8 of the Bylaws states Annual Assessments shall be payable in advance on the payment date, and the Board of Directors may from time to time increase or decrease the Annual Assessment.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, which will minimize the Association's loss of assessment revenue.

The following Collection Policy is hereby adopted by the Board of Directors and will be enforced through said Resolution with the following procedure:

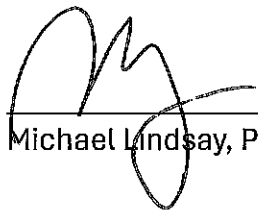
1. Annual Assessments will be mailed out no later than December 2nd of the prior year.
2. Annual Assessments are due on January 1st of the current year.

3. After a 30-day grace period, any assessment not paid by the due date will bear interest at the rate of ten percent (10%) per annum.
4. A notice letter will be sent to the property owner on the fifteenth (15th) of each month late.
5. Should the property owner be unable to pay, the property owner may send a written letter with all corresponding documentation within ten (10) days from the date of the first notice letter to the Board of Directors asking for an extension due to current circumstances. The Board or its authorized agent will respond with its decision within ten (10) days of receipt of the extension request.
6. A demand letter with notice of intent to file a lien will be sent to the property owner from the association's attorney after 90 days late, including attorney fees and costs of collection.
7. A lien may be recorded against any owner who is not paid in full at this time.
8. If any owner has failed to pay by July 31st, the attorney will be directed to initiate a lawsuit, either in Small Claims, District Court, Circuit Court, or otherwise, as is within the business judgment of the Board of Directors against the property owner.
9. If at any time a property owner's creditor initiates a foreclosure action against them, the Board of Directors will immediately authorize their attorney to file an answer and cross claim in the foreclosure action and defend and pursue the association's best interest.
10. A foreclosure suit may be started against any owner who is \$5,000 or more behind on dues and fees associated with collecting the debt.
11. If a property owner is 30 days delinquent a second time within a twelve (12) month period, the demand letter with notice of intent to file a lien will be applied against the owner at thirty-one (31) days delinquent from the association's attorney.

The overall policy of the Board is to work with property owners before delinquent accounts progress to the lien stage. Once the lien has been turned over and the lien acceleration process begins, the Board of Directors cannot accept a payment plan.

Duly adopted at a meeting of the Board of Directors held on this 22nd day of FEBRUARY, 2024.

Sutherland Community Association, Inc.



Michael Lindsay, President



Ronald L. Zehnder, Treasurer