

**RESOLUTION OF THE BOARD OF DIRECTORS
OF RISS LAKE COMMUNITY ASSOCIATION, INC.**

Procedures for Collection of Delinquent Payments

WHEREAS, Article IV of the Declaration of Covenants, Conditions and Restrictions of Riss Lake ("CCRs") creates an assessment obligation for owners of homes in Riss Lake Community Association ("Association"), which is a continuing lien on homes and a personal obligation of owners; and

WHEREAS, because the CCRs create a right and a duty to collect unpaid assessments, there is a need to establish orderly procedures for billing and collection of said assessments; and

WHEREAS, the CCRs grant the Board of Directors the authority to enforce payment of assessments by means of, *inter alia*, foreclosing the lien against any home or filing a lawsuit against the owner; and

WHEREAS, the Board of Directors desires to establish these procedures in conformity with the Declaration, the Bylaws, and as otherwise provided by law;

NOW, THEREFORE, LET IT BE RESOLVED THAT the Board of Directors, on behalf of the Association, duly adopts the following collection procedures:

1. Assessments: One-half of each annual assessment is due on the first day of January. The second half of each annual assessment is due on July 1 of that year. If an owner elects to pay in two installments a onetime split payment fee of \$50 will be automatically added to owners account after January 30th.

Notices, documents and all correspondence relating to assessments shall be mailed to the address which appears on the books of the Association. It is each owner's responsibility to inform the Association's managing agent of any address change.

2. Delinquency: An owner's account is delinquent if an assessment is not received on the due date.

3. Late Fees and Interest: An installment payment which is not paid by the thirty of January will be assessed a late fee charge of one-tenth of the total amount of any delinquent assessment. A late fee shall be charged on the assessment each month that the account remains delinquent. A delinquent account shall bear interest on the unpaid balance from the due date, until paid, at the rate of 18 percent per annum. In addition, a \$50 returned check charge and any related bank charges will be assessed against the account of the home responsible for payment if the payment is returned for insufficient funds.

4. Late Notices: If the January installment is not received by the Association's managing agent by January 30, the managing agent will send a delinquency notice to the owner

by first class mail requesting immediate payment, advising the owner of the late fee, and advising that interest has begun to accrue on the unpaid balance.

5. Acceleration: If the first installment is not paid when due, the entire annual assessment shall be immediately due and payable.

6. Intent to Create Lien: If an account is delinquent, the Association may record a "Notice of Lien" against the home in county land records.

The Notice of Lien will inform the public of the amount of the outstanding balance, including all past due assessments, late fees, interest, costs of collection, and reasonable attorney fees. The Notice of Lien will conform with applicable laws.

7. Debt Collection Options: In order to collect a debt owed to the Association by a member, the following options may be used until the debt is satisfied:

- Legal action described below.
- Suspension of a member's privileges, including the community's swimming pools.

8. Legal Action: If an account remains delinquent, the Association may retain an attorney to proceed with further legal action, including, but not limited to, foreclosing on the owner's property, or filing a lawsuit against the owner to collect the owner's past due assessments, late fees, interest, costs of collection, and attorney fees.

9. Payments Credited: Payments received from an owner will be credited to the outstanding balance in the following order:

- a. Court costs, attorney fees, and other costs of collection.
- b. Fines, late fees or accrued interest, as applicable.
- c. Special assessments.
- d. Annual assessments.

Once an account becomes delinquent, payment from the delinquent owner may be refused unless it is made by certified or cashier's check or money order.

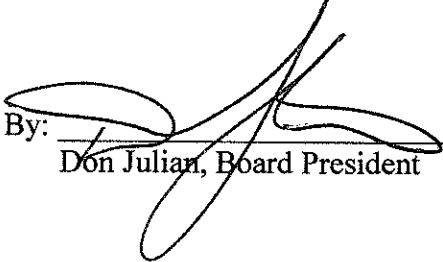
10. Partial Payments: In the event an owner attempts to make a payment of less than all monies due and owing the Association after collection proceedings have commenced, the Association's attorney or designated collection agent may send a letter by first class mail to the owner advising the owner that his or her account remains delinquent as to all remaining monies owed to the Association. The Association's retention of the partial payment does not constitute a waiver of the Board's authority to foreclose on the owner's property to take action against the owner to collect the outstanding balance.

Failure by the Association to follow any of the procedures set forth in this Resolution shall not excuse any owner from their obligation to pay all assessments, interest, charges and costs, including attorney fees, due in a timely manner, nor does such failure constitute a waiver of the Association's right to collect all assessments, costs, charges and interest due the Association.

This policy is effective beginning January 1, 2018. This policy replaces and supersedes all prior policies and procedures for delinquent payments.

Signed 6-1, 2018

RISS LAKE COMMUNITY ASSOCIATION, INC.

By: _____
Don Julian, Board President

By: _____
Doug Krtok, Board Secretary