

STONELEIGH ASSOCIATION

**POLICY AND ADMINISTRATIVE RESOLUTION NO. 05-01
(Assessment Collection Policy)**

WHEREAS, Deed of Dedication establishes that each Owner has an obligation to pay assessments in order to cover the expenses and debts incurred by the Association; and

WHEREAS, the Bylaws provides the Board of Directors with the power to make and collect those assessments from the Owners; and

WHEREAS, the Board of Directors believes that it is in the best interest to update its policy and procedures for the collection of assessments and delinquent accounts.

NOW THEREFORE, the Board of Directors resolves as follows:

A. ROUTINE COLLECTIONS

1. The Board shall establish the Annual Assessment at the time that it approves the budget for the upcoming fiscal year.
2. The Board shall mail a notice of the Annual Assessment to each Owner at the property address of the Lot or to such other address designated in writing by the Owner. If an Owner designates another address to the Association for such notices, the Owner must furnish the Association with a telephone number and an address where the Owner will promptly receive mail and notices. If an Owner does not receive a notice of the Annual Assessment, the Association will not excuse the Owner from the obligation to pay the assessment. All Owners are obligated to seek out information about their obligation to pay the Annual Assessment if they do not receive notice from the Association.
3. The Association's fiscal year will begin on the first day of October of each year, at which time the Annual Assessment shall become due and payable; however, the Board shall provide Owners whose membership is in good standing with the option to pay the Annual Assessment in four (4) equal quarterly installments, due on the first day of the months of October, January, April, and July, which shall otherwise be known as the "Due Date". The Association shall allow a grace period for payment within 10 days of the Due Date.
4. The Association allows Owners to pay the quarterly installments through a direct debit program. If an Owner chooses not to pay the quarterly installments through the direct debit program, the Owner must ensure that the Association receives payment on or before the expiration of the grace period.

B. POLICY FOR NON-PAYMENT OR LATE PAYMENT OF ASSESSMENTS

1. If the Association does not receive payment within the grace period, the Association shall designate the account as "late" on the 11th day, and it shall charge a monthly late fee of \$25.00 until the Owner pays the account in full. The Association will send a reminder notice to any Owner against whom it charges a late fee, but lack of receipt of the notice shall not excuse the Owner of the obligation to pay the late fee. Management shall add the costs of mailing any such notice to the Owner's account.
2. If the Owner's account remains delinquent after the 90th day after the Due Date, the Association shall accelerate the unpaid balance of assessments for the remainder of the fiscal year and all such sums shall be due and payable in full.
3. The Association shall send accelerated accounts to the Association's Counsel for collection and charge \$50.00 to the account for the costs incurred in referring the account for collection. (This provision does not mean that the Board is not allowed to refer a delinquent account to counsel for collection at any time prior to the 90th day after the Due Date. Extenuating circumstances may require the Board to refer a delinquent account to counsel for collection prior to the 90th day after the Due Date. For example, an owner with a delinquent account may try to sell his property without making appropriate arrangements to pay the Association a delinquent balance. In such a case, the Board can and will refer the case to counsel for the appropriate legal measures to protect the Association's interests.)
4. Counsel for the Association is authorized to record liens and file suits on behalf of the Association to collect all delinquent sums. Counsel shall add all legal fees and court costs to the account of the delinquent Owner.
5. If an Owner submits a check to the Association which fails to clear the Owner's account, the Association shall add a \$60.00 charge to the Owner's account.
6. For bookkeeping purposes, the Association shall apply payments received from delinquent members in the following order:
 - a. Any legal fees and costs of collection;
 - b. Interest;
 - c. All other incidental charges or fees incurred by Association;
 - d. Special Assessments, including any special charges; and
 - e. The Annual Assessment.

C. SUSPENSION OF PRIVILEGES

If an Owner is 90 days or more delinquent on any payment obligation due to the Association, the Owner's membership status shall be automatically suspended. The suspension shall remain in effect until the Owner pays all amounts due. The Association shall send a written notice of the suspension of privileges, via Certified Mail, Return Receipt Requested.

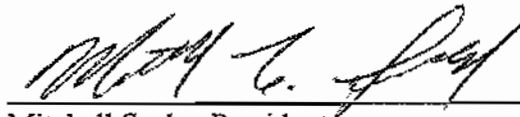
Prior to the 90th day, the Owner shall have the right to request a hearing in order to contest the delinquency or explain any matter relative to an assessment account. Upon receipt of a written request for a hearing, the Board will schedule a hearing and notify the member in writing of the time, date and time of the hearing, and advise the Owner that he or she may have counsel present at the hearing.

D. REPEAL OF PRIOR POLICIES

This resolution supersedes and replaces all prior policy and administrative policy resolutions relating to assessment collection procedures.

I hereby certify that the Board of Directors adopted this Policy and Administrative Resolution on this 31 day of May, 2005.

STONELEIGH ASSOCIATION



Mitchell Sacks, President
Board of Directors