

FOX MEADOWS HOMEOWNERS ASSOCIATION, INC.
ADMINISTRATIVE RESOLUTION NO. 1

Procedures for assessment billing and collection of delinquent accounts:

GIVEN THAT Article IV of the Declaration provides for the Association to establish and collect from the Lot Owners assessments to provide for the maintenance of Common Area and payment of other common expenses; and

GIVEN THAT for the financial health of the Association as well as the protection of all Owners' equity interest, the Board deems it necessary and desirable to establish orderly procedures for the collection of assessments;

NOW, THEREFORE, the Board of Directors resolves that the following assessment collection procedures be, and hereby are, adopted:

I. Billing Procedures

The Annual Assessment for each fiscal year shall be established by the adopted Operating Budget for that fiscal year. The Annual Assessment shall be payable in four (4) equal quarterly installments. Assessment installments shall be payable quarterly in advance, not later than the first day of each quarter to which they apply.

All documents, correspondence and notices regarding assessments shall be mailed first class to the address appearing on the books of the Association, or as modified in writing by the Lot Owner. Non-receipt of a bill shall in no way relieve the Lot Owner of the obligation to pay the assessments when due.

II. Collection Procedures

Assessment installments not received by the Association by the thirtieth (30th) day of the first month of the quarter shall be deemed late. All delinquent assessment installments shall bear interest at the rate of eighteen percent (18%) per annum.

The Association shall send a Late Notice to all Lot Owners who have not paid by the thirtieth (30th) day of the month. Such Notice shall be mailed to the Lot Owner by Certified Mail, Return Receipt Requested, and shall show the interest being accrued as well as the cost of the Certified Notice, which shall be a cost to the Lot Owner.

If the installment(s) and any interest and postage charges remain past due as of the thirtieth (30th) day of the second month, then

the Association shall refer the account to the Association's attorney for collection and a Demand Letter shall be mailed to the Lot Owner by Certified Mail, Return Receipt Requested. Upon receipt of the account by the attorney, the Lot Owner will automatically be assessed an additional charge of Fifty Dollars (\$50.00) to cover the initial legal fees.

If the installment(s) and any interest, postage and attorney's fees remain past due as of the tenth (10th) day following receipt of the Demand Letter from the Association's attorney, the Association shall authorize its attorney to automatically accelerate the remaining Annual Assessment installments and declare the full amount of the balance of the Annual Assessment due and payable and file a lien for the full amount due, including but not limited to the late charge(s), the costs of the certified notices, the costs of filing and releasing the lien and all attorney's fees.

At the same time, the Association shall, through its attorney, take further steps to collect the sums due. These steps may include, but are not limited to, obtaining a judgement, garnishing salary or wages, attaching assets, and foreclosing the lien. All costs related to these actions shall be added to the amount due and must be paid by the Lot Owner.

From the time an assessment installment payment is late through to when all past due assessments, fees and charges have been paid in full, the right of the delinquent Lot Owner to exercise his or her voting rights or to serve on the Board or any Association committee, or to use the recreational facilities built on common area, shall be suspended.

The Board of Directors may grant special exceptions to this policy in the event of temporary hardship for a Lot Owner. However, an Owner wishing to request such an exception must appear in person before the Board and also make a written request for the Association records. The Board is not obligated to approve such a request.

The Effective Date of this Resolution shall be July 1, 1989.

ADOPTED THIS 27th DAY OF July, 1989.

J. P. [Signature]
M. B. [Signature]
H. O. B. [Signature]