

**ARROWOOD HOMEOWNERS' ASSOCIATION
AMENDED POLICY RESOLUTION NO. 2013-01(A)**

AMENDED ASSESSMENT COLLECTION PROCEDURES

WHEREAS, Article V, Section 1 and Section 6 of the Declaration of the Arrowood Homeowners' Association (the "Association"), and Article XI of the Association's Bylaws create an assessment obligation, including a personal obligation, for Members of the Association;

WHEREAS, Article V of the Declaration empowers the Association's Board of Directors (the "Board") to make and enforce assessments against each Member to defray the common expenses of the Association and to establish the due dates and means and methods of collecting assessments from the Members;

WHEREAS, Article V, Section 6 of the Declaration, and Article XI of the Bylaws provide that unpaid assessments, together with interest thereon, late charges, and the cost of collection thereof, shall be a continuing lien upon the lot on which the assessment was made and the personal obligation of each Member of a lot;

WHEREAS, Article V, Section 6 of the Declaration declares a payment delinquent when not paid on the due date, authorizes the Association to charge a late charge in the form of a percentage interest of the amount owed after 30 days of delinquency; accelerate the remainder of the annual assessment, and bear interest from the date of delinquency until paid;

WHEREAS, Article V, Section 6 of the Declaration and Article XI of the Bylaws provide that a Member's failure to pay assessments shall entitle the Association to bring an action at law against the Member personally and to foreclose on the lot;

WHEREAS, Article V, Section 6 of the Declaration and Article XI of the Bylaws provide that in any proceeding arising out of any alleged default of payment of assessments by a Member, the Association shall be entitled to recover its interest, costs and reasonable attorneys' fees of not less than twenty percent (20%) of the sum claimed;

WHEREAS, Article IV, Section 1(d) of the Declaration empowers the Board to suspend a Member's voting rights and right to use recreational facilities provided by the Association for a reasonable period not to exceed the duration of the default for nonpayment of assessments that are more than sixty (60) days past due;

WHEREAS, Article X, Section 3 authorizes the Association to assess rules violation charges for a violation of the governing documents or any duly adopted rules, resolutions or

regulations, such charges to be treated as assessments against a Member and his/her lot;

WHEREAS, there is a need to establish orderly procedures for the billing and collection of assessments and charges; and

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board adopts the following amended assessment collection procedures and policies resolution as part of the Association's rules and regulations. This resolution shall supersede all other resolutions related to collection of assessments.

I. ROUTINE COLLECTIONS

A. Due Date. The Board will allow annual assessments to be paid in two (2) equal bi-annual installments that will be collected on a bi-annual basis and shall be due and payable on the first day of January and July. All special assessments shall be provided for in a separate resolution and shall be due and payable as specified therein.

B. Delivery of Notices. All documents, correspondence, and notices relating to assessments or charges shall be mailed by regular first class mail to the address that appears on the Association's books or to such other address as is designated in writing by a Member to the Association.

C. Non-Receipt of Notices. Non-receipt of an invoice shall in no way relieve a Member of their obligation to pay the amount due by the due date.

D. Referral. Once an account is referred to legal counsel, all contact with a delinquent Member concerning their account shall be handled through the Association's legal counsel. If the Member contacts any Board member or the Management Agent, such person shall direct the Member to communicate with the Association's legal counsel.

II. REMEDIES FOR NONPAYMENT OF ASSESSMENT

A. Acceleration. If an account is turned over to legal counsel for collection, the entire balance of assessments due on the account of such lot for the entire fiscal year shall be immediately due and payable in full.

B. Late Charge. If payment of the any assessment, or of any installment thereof, or charges due, including special assessments, are not received within thirty (30) days of the due date by the Management Agent, the account shall be deemed late and a late fee of six percent (6%) shall be added to the amount due and shall be a part of the continuing lien for assessments until all sums due and owing shall have been paid in full.

C. Returned Checks. If a check is returned and an assessment, or any installment thereof, or charge due and owing is not otherwise received in the applicable time period, as provided in Paragraph II (B) above, the account shall be deemed delinquent and a late charge shall be added, in addition to a returned check charge of thirty-five dollars (\$35.00).

D. Late Notice. A Late Notice may be sent by the Board or the Management Agent to Members who have not paid assessments or charges, in full, by the thirtieth (30th) day after the due date. The Late Notice shall specify the amount of the assessments then due and

payable, together with authorized late charges accrued thereon and shall warn the Member that the account may be sent to legal counsel for further collection actions. The notice shall warn that if the overdue assessments are more than sixty (60) days in arrears, the rights of the Member to vote and use facilities and services provided through the Association will be suspended. If the Member requests a hearing regarding the proposed suspension, the Board will hold a hearing, consistent with the provisions of the Association's Due Process Resolution. The Late Notice may also specify that the Member shall have the right to request a hearing regarding any proposed suspension of his or her right to use facilities and services of the Association and that such request must be in writing and directed to the Association.

E. Referral to Legal Counsel. If payment in full of any assessment or charge, interest or returned check charges is not received by the Management Agent by the sixtieth (60th) day after the due date, the account may be referred to legal counsel for the Association. Counsel shall mail a demand letter that notifies the Member of legal action that may be taken against the Member by the Association.

F. Demand by Counsel and Lien Filing. If payment in full of the amounts due is not received by legal counsel, the Board, or the Management Agent within sixty (60) days after the demand letter has been sent, a Memorandum of Lien may be filed. Non-receipt or lack of notice shall not prevent the Association from filing a lien within the statutory deadline. The costs of collection, including late fees and the costs of filing and releasing the Memorandum of Lien, shall be added to the account, and the delinquent Member shall be liable for said costs.

G. Suspension of Rights and Suit Filing. If payment in full, of all amounts due, is not received by legal counsel or the Management Agent by the sixtieth (60th) day after the due date, the Member's rights, and the rights of the Member's tenants, guests, family or residents, to use facilities provided by the Association (as provided in Paragraph D hereof) will be automatically suspended (unless a hearing is requested), and a civil suit may be filed personally against the delinquent Member. The Association is entitled to collect not less than twenty percent (20%) of the total amount sued for in attorney's fees.

H. Suspension of Voting Rights. If payment in full, of all amounts due, is not received by legal counsel, the Board, or the Management Agent within thirty (60) days of the due date, said Member's voting rights will be automatically suspended

I. Other Action of Counsel. If an account remains delinquent after the filing of a lien or civil suit, legal counsel for the Association may take other appropriate legal action to collect the amounts due, except as provided in Paragraph J unless directed otherwise by the Board.

J. Suit to Enforce Lien. If a lien remains unpaid, a suit to enforce the lien and foreclose on the lot may be filed within thirty-six (36) months of the date the lien is recorded, upon authorization by the Board.

K. Two or More Returned Checks. If the Association receives from any Member, in any accounting year, two (2) or more checks returned for insufficient funds for payment of assessments or other charges, the Board may require all future payments to be made by certified check, cashier's check or money order for the remainder of the fiscal year.

L. Assessment of Costs and Attorneys' fees. All costs incurred by the Association as a result of any violation of the Declaration, Bylaws, Rules and Regulations or Resolutions of the Association by a Member, his family, employees, agents, lessees or licensees, may be assessed or charged against the Member's account. Such costs may include, without limitation,

reasonable attorneys' fees, legal or administrative expenses (regardless of whether suits or liens are filed) resulting from a Member's failure to pay charges or assessments when due or from any other default referred to in this Paragraph.

M. Board Waiver. The Board may grant a waiver of any provision herein, except filing of Memoranda of Liens beyond the statutory deadline, at its discretion or upon petition, in writing, by a Member alleging a personal hardship. Such relief granted a Member shall be appropriately documented in the files with the name of the person(s) representing the Board granting the relief and the conditions of the relief.

N. Management Agent Right to Waive. The Board hereby authorizes the Management Agent to waive the imposition of late fees on payments received by the Management Agent later than thirty (30) days after the due date, if, in the judgment of the Management Agent, the delinquent Member has owned the lot for less than three (3) months at the time of the delinquency and the Management Agent determines the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. Further, such a waiver may be granted only once to any delinquent Member.

O. Crediting of Payments. Payments received from a Member shall be credited in the following order:

1. Charges for attorneys' fees and court costs;
2. All returned check charges or interest accrued, as applicable;
3. All other charges incurred by the Association as a result of any violation by a Member, his family, employees, agents, lessees or licensees of the Declaration, Bylaws, Rules and Regulations or Resolutions; and
4. The annual and special Association assessment, or any installments thereof, and late fees for each lot, applied first to the oldest amount due.

This Resolution shall become effective August 1, 2013.