

SOUTHWINDS AT THE MOORINGS

STATEMENT OF ASSOCIATION POLICY

Effective Date: Beginning with July 2011 quarterly payments

Subject: Southwinds Delinquent Quarterly Assessment Payments

Policy:

Delinquent quarterly assessment payments will be dealt with according to the following steps:

1. 15 days after the date originally due, if payment has not been received at the management company, the management company will send a Reminder Notice by regular mail.

2. 30 days after the date originally due, the Southwinds Treasurer will call the resident reminding him/her of their past-due amount and reminding them of the interest and penalty/administrative late fee that will be charged.

3. Also 30 days after the date originally due, the management company will mail out a second late notice by certified mail which includes interest & penalty/administrative late fee amounts (noting these amounts apply if payment is not received by the management company 45 days from the date originally due).

4. Interest and penalty/administrative late fee will be assessed if payment has not been received 45 days after the date originally due, as follows: Interest rate will be 1.0% per month (12% per annum) on the unpaid balance; Penalty/administrative late fee will be a one-time penalty of 5% of each delinquent installment.

Note: Interest and penalty/administrative late fee amounts will be calculated from the delinquency date (i.e., the date payment is originally due + 30 days).

The application of payments when made is first to interest; then to penalty/administrative late fees; then to costs and attorneys' fees; then to assessment fee first due and owing.

5. 60 days after the date originally due, our attorney for the Association will send a letter notifying the resident of the proceedings of a lien.