COLLECTION POLICY RESOLUTION
FOR

SUMMERSET ESTATES COMMUNITY ASSOCIATION

WHEREAS, the Board of Directors is charged with the responsibility for collection all assessments of the members in a fair and uniform manner,

WHEREAS, the Declaration of Covenants, Conditions, Restrictions and Easements for the Association directs this responsibility to the Board of Directors of the Association, and

WHEREAS, the Association has contracted with a professional management company to provide management service and supervision over certain contract services to the Association; and

NOW THEREFORE, be it resolved that the Board of Directors has elected to authorize its managing agent to carry out the following policy with respect to all delinquent accounts, reserving to itself the right to modify or intervene in certain cases, as the Board may see fit.

1. Upon Board approval of the budget, initial assessment billing will be mailed to each homeowner to their address of record on or about the months of September thru November of the preceding year that it is due.

2. Assessment statement will reflect a due date of January 1 of the upcoming year.

3. Assessment becomes delinquent if payment is not postmarked and/or received by January 31.

4. The PMG Collection Department will send a collection notification letter explaining the procedure and charges that will be added to each account with a balance on or about February 1. The letter will state the current balance due as of the letter, and a breakdown of future steps and charges that will be added if the delinquency is not cured. This letter will be mailed regular and certified mail and will contain Texas Property Code 209 wording.

5. Upon the expiration of the certified letter (30 days after the original notice has been sent), if the account remains delinquent a reminder notice will be sent to the delinquent homeowners reflecting the past due assessments, penalties, late fees and collection fees. All such account will be turned over to the credit bureau and/or a lien filed, again stating the fees attached to these steps. If payment does not reach the management office during the next thirty days the delinquent account will automatically be forwarded to the association attorney for further legal action. All delinquent accounts which are within the authorized balance range for legal action will then be forwarded to the Association's attorney for compliance.

6. The Association Attorney will be instructed to send an initial demand letter followed by a foreclose letter. Prior to foreclosure, Association attorney will confirm with managing agent that no monies and/or activities have been received on account.

This is to certify that the foregoing resolution was adopted by the Board of Directors by unanimous consent, effective as of January 27, 2005 such date as it may be modified rescinded or revoked.

Initial Demand Letters are to be sent to all delinquent accounts with a balance of $__1__ or more within 30 days of the notice mailed.

Sixty-day demand notices are to be sent to all delinquent account with a balance of $__1__ or more within 30 days of the notice mailed.

Credit Bureau reporting shall be on all accounts with a balance of $__N/A__ or more.

Liens are to be filed on all delinquent accounts with a balance of $__1__ or more on or about April 15, 2005.

All delinquent accounts with a balance of $ __100__ or more are to be sent to the association attorney for further legal action on or about May 1, 2005.

Board of Directors hereby approve and authorized the above policy:

01/27/2005
President Date

Amber Lawson 1/27/04
Secretary Date