



HAMMOCKS PRESERVE ASSOCIATION, INC.

Past Due Assessments Collection Procedures

Pursuant to Sections 6.4 of the Association's Bylaws, the Board of Directors may file a claim of lien in the Public Records of Charlotte County if a Unit Owner shall be in default in the payment of an assessment.

This document details the collection procedures the Association will employ in the collection of delinquent assessments prior to the filing of any property lien. The procedures themselves are to be conducted by the Association's management company.

* Assessment payments are due on the first day of each calendar month. There is a payment grace period through the 10th day on the month. On the 11th day of each billing period, the assessment payment becomes delinquent. Pursuant to Section 8.2 of the Preserves Declaration, sums not paid shall bear interest at the rate of 18% per annum and there shall also be assessed an administrative fee of \$25.00.

* At that time, a past due notice is sent to the delinquent owner showing the assessment amount, the late fee charged and information concerning the accrual of interest. Pursuant Section 8.2 of the Preserves Declarations, payments on accounts shall be first applied to interest accrued, then to administrative late fees, then to collection and attorney costs (if any), and then to delinquent assessments.

* If an account remains delinquent, a second past due notice will be sent on the 11th day of the month following the original due date. This letter will show all amounts due.

* If an account remains past due for sixty days after the original due date, a certified letter will be sent to the owner showing all amounts due and informing the owner that if payment in full is not received within 15 days, the account will be referred to an attorney for legal action. Also, the owner is informed that they will be responsible for any collection and attorney fees and that the account is subject legal action in the event a partial payment is made.

* If an account remains unpaid after seventy-five days, the account will be referred to an attorney for subsequent collection efforts and the filing of a property lien.

* The Association shall retain the services of an attorney having relevant expertise and experience so as to ensure that legal representation is available when needed.

* The Association's property management firm will copy the President and Treasurer on all correspondence cited in these procedures.