BOARD OF DIRECTORS OF
THE RESIDENCES AT WILLOW LAKES HOMEOWNERS ASSOCIATION

RESOLUTION TO ADOPT COLLECTION POLICY RULES

WHEREAS, the Board of Directors (the "Board") of The Residences at Willow Lakes Homeowners Association (the "Association") is the governing body of said Association and is charged with the direction and administration of the property (the "Property") subject to that certain Amended and Restated Declaration of Easements, Restrictions and Covenants for The Residences at Willow Lakes Homeowners Association (the "Declaration"), as amended from time to time; and

WHEREAS, in accordance with the Illinois Common Interest Community Association Act, 765 ILCS 160/1-1 et seq., the Board is authorized to adopt policies and procedures concerning the collection of unpaid assessments; and

WHEREAS, the Board desires to establish policies and procedures concerning the collection of unpaid assessments and other sums due to the Association from Lot Owners; and

WHEREAS, in accordance with Section 1-45(j) of the Illinois Common Interest Community Association Act, the Board has the authority to adopt and enforce rules and regulations concerning the collection of unpaid assessments; and

WHEREAS, in accordance with the Illinois Common Interest Community Association Act and the Association's governing documents, a meeting of the Lot Owners was called for the specific purpose of discussing the proposed rules and regulations set forth herein, and notice of the meeting contained the full text of the proposed rules and regulations; and

NOW THEREFORE BE IT RESOLVED that the Board does hereby adopt the following policies and procedures concerning the collection of unpaid assessments and other sums due to the Association from Lot Owners.

Adopted by the Board of Directors of The Residences at Willow Lakes Homeowners Association at a meeting held on November 11th, 20 26.

Motion made by F. Hirsch and seconded by B. Stern.

Vote Taken For: 5 Against: 0 Abstain: 0

RULES REGARDING COLLECTION OF ASSESSMENTS AND OTHER CHARGES

A. All monthly assessments and any special assessments (unless otherwise determined by resolution of the Board) or other charges of the Association are due and payable on the first (1st) day of each month. Lot Owners are responsible for making payments on time each month. Payments shall be made to the Association, its managing agent, or such other payment address or payment processor as the Board may designate from time to time, or via an online payment platform, or submitted via automated withdrawal from a checking or savings account as described below.

Payment shall be deemed received upon actual receipt by the Association, its managing agent, or its authorized payment processor.

The following dates shall apply to assessments, the collection thereof, and the imposition of late charges:

1. Regular assessments are due on the first (1st) day of each month.
2. A monthly assessment is considered delinquent if not paid in full on or before the fifteenth (15th) day of the applicable month.
3. A reminder notice may be issued to a Lot Owner on or after the sixteenth (16th) day of the applicable month by email and/or U.S. Mail.
4. Delinquent accounts may be referred to the Association's legal counsel for collection or legal action no earlier than sixty (60) days after the original due date of any unpaid assessment or charge, as further provided herein.

The Board may permit assessments, common expenses, and other charges to be paid via automated withdrawal from a Lot Owner's bank account, until such time as the Lot Owner's account is turned over to the Association's counsel for collection or legal action. A failed automatic payment resulting from insufficient funds in the Lot Owner's bank account shall not constitute a processing delay, and the standard late charge and collection timeline described herein shall apply in such event.

B. Any monthly assessment, special assessment (unless otherwise determined by resolution of the Board), or other charge owed to the Association that is not received in full on or before the fifteenth (15th) day of the applicable month shall be considered late. A Late Charge of twenty-five and 00/100 dollars ($25.00) (the "Late Charge") shall be imposed on any monthly assessment, special assessment (unless otherwise determined by resolution of the Board), or other charges then due and owing to the Association, exclusive of any Late Charges previously imposed, that is not received in full by the Association on or before the fifteenth (15th) day of the applicable month. Only one Late Charge shall be imposed per delinquent installment or charge. The Late Charge shall not itself be subject to an additional Late Charge. The Late Charge shall be added to and deemed a part of the Lot Owner's common expenses. The Late Charge is not a penalty but rather reflects the value of administrative services incurred in processing late or unpaid assessments and other charges. The Late Charge is imposed in accordance with the authority set forth in Section 1-45(j) of the Illinois Common Interest Community Association Act.

C. In accordance with Paragraph 16(d) of the Declaration, any unpaid balance of any monthly assessment, special assessment, or other charge of the Association may bear interest at the rate of 18% per annum on the unpaid balance until such time as the monthly assessment, special assessment, or other charge is paid in full. Interest shall not itself be subject to interest. Interest shall be added to and deemed a part of the Lot Owner's common expenses.

D. If there is an unpaid balance on a Lot Owner's account on or after the sixteenth (16th) day of the month, the Association may (but shall not be required to) issue notice to the Lot Owner, by email and/or U.S. Mail, advising the Lot Owner of the balance due to the Association.

E. No earlier than sixty (60) days after the original due date of any unpaid assessment or charge, the Board may refer the matter to an attorney to initiate collection and/or legal proceedings to collect all sums due and owing to the Association. Such proceedings may include, without limitation, issuance of a demand letter, filing of a lien against the Lot, pursuit of an eviction action pursuant to Article IX of the Code of Civil Procedure, filing a breach of contract action, and/or foreclosure of the Association's lien pursuant to Section 1-45 of the Illinois Common Interest Community Association Act, as determined by the Board in consultation with counsel and taking into consideration the nature and amount of the unpaid balance. All attorneys' fees and costs charged to the Association in connection with the collection of a delinquent account shall be the obligation of the delinquent Lot Owner and shall be charged to the Lot Owner's account as an additional component of the Lot Owner's proportionate share of the common expenses or as may be set forth in a court order. The Association's lien for unpaid common expenses and other charges arises under Section 1-45 of the Illinois Common Interest Community Association Act, and Paragraph 7(c) of the Declaration, and the Association reserves all rights, remedies, and priorities afforded by Section 1-45 of the Illinois Common Interest Community Association Act, the Declaration, and applicable law with respect to such lien.

F. Any fees and costs incurred by the Association in an attempt to collect assessments and other charges shall be charged to the delinquent Lot Owner as provided in the Declaration, Bylaws, and these Rules. A returned check, rejected electronic payment, ACH reversal, or other payment returned by the Association's bank shall result in a minimum charge of $35.00 to the Lot Owner's account, or a charge in the amount of the actual expenses incurred by the Association as a result of such returned item, whichever is greater.

G. Application of Payments: All payments received will be applied to the payment of the oldest outstanding charges in the following priority before being applied to any current charges, regardless of any restrictive endorsement or if such payment has been designated to be applied to a specified obligation: a. collection charges, including but not limited to attorneys' fees and court costs, b. Late Charges and interest charges, if any, c. fines, d. other charges, e. special assessments, and f. prior monthly assessments.

H. In the sole discretion of the Board, the Board shall have the authority to credit back any Late Charges which may have been added to a Lot Owner's account. Any such credit shall

not constitute a waiver of the Association's right to impose Late Charges for future delinquencies or a waiver of any rights of the Association with respect to any ongoing collection matter.

I. Once an account is turned over to counsel for collections or other legal action, all collection-related communications with the Lot Owner/debtor should be with counsel to ensure compliance with applicable rules and statutes and keep the process moving forward in an expeditious manner.

J. Once an account is turned over to counsel for collections, any online or automatic payment mechanism may be disabled to ensure compliance with applicable rules and statutes and keep the process moving forward in an expeditious manner.

K. Payment Plans: In the event a Lot Owner requests a payment plan on an unpaid balance, the Board may, in its discretion, permit a payment plan so long as the repayment period is no longer than six (6) months; the plan provides for payment of all unpaid charges and amounts due by the Lot Owner; the plan is in writing, prepared by or with the assistance of counsel, setting forth the exact payment terms, dates, and consequences of a default under the payment plan; and the plan is subject to review by the Board if the Lot Owner has been in collections at any prior time. As a condition of any approved payment plan, the Lot Owner must remain current on all assessments and other charges accruing during the repayment period unless otherwise approved by the Board. In the event the Lot Owner is in mortgage foreclosure, approval of any payment plan shall be contingent upon the status of the mortgage foreclosure action pending against the Lot Owner. Nothing in this Section requires the Board to offer or approve a payment plan.

L. These Rules shall supersede and replace any prior rules, regulations, policies, or related practices of the Association concerning the collection of assessments and other charges. Any Late Charge or interest rate adopted under these Rules shall apply to assessments and other charges becoming due on or after the effective date. Charges that accrued under a prior policy or practice before the effective date shall remain valid and collectible at the rate in effect when they accrued, and the procedural provisions of these Rules shall govern the collection of all balances, whether accruing before or after the effective date.

M. These Rules shall be effective as of the date set forth in the Resolution adopting these Rules and shall apply to all assessments and other charges due and owing as of and after the effective date.