

Resolution #9 Establishing a Policy for the Collection of Common Fee Assessments (Amended 8/15/2016)

WHEREAS, under the Declaration, Article XXV, Section 25.2, the Executive Board is empowered to administer to the affairs of the Association and to adopt and amend Bylaws, Rules and Regulations; and

WHEREAS the Executive Board is empowered to collect assessments for common expenses from unit owners; and

WHEREAS the Executive Board is empowered to impose charges or interest or both for late payment of assessments; and

WHEREAS the Executive Board desires to adopt a uniform, non-discriminating, and systematic procedure to collect assessments and other charges of the association.

THEREFORE, BE IT RESOLVED that the ASSOCIATION does hereby adopt the following procedures and policies for the collection of assessments and other charges of the association:

Due Date. The annual common fee assessment as determined by vote of the association and as allowed for in the declaration and bylaws shall be due and payable in 12 equal installments due on the first day of each month. Special assessments are due and payable on the date or schedule of dates as approved in the assessment resolution and communicated to the owners. Monthly assessments or other charges not paid to the association by the 10th day of the month, or the otherwise scheduled payment due date, shall be considered past due and delinquent.

Late Charges Imposed on Delinquent Payments. Assessments shall be past due and delinquent if not received at the office of the Property Manager as specified above. The association shall impose a \$25.00 late charge on the outstanding or past due balance then due the association. The late charge shall be a "common expense" for each owner who fails to pay the assessment by the due date as specified above. A late charge will be imposed each month that the scheduled payment is past due.

The late charge shall be the personal obligation of the owner(s) of the unit for which such assessment is unpaid. All late charges shall be due and payable immediately, without notice, in the same manner as for payment of assessments.

Waiver of Late Fee. The Executive Board may grant a waiver of an imposed late fee upon petition in writing by an owner that adequately explains the cause of the lateness. No more than one late fee may be waived in any 12-month period. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the association granting the relief and the conditions of the relief.

Return Check Charges. In addition to any and all charges imposed under the declaration and bylaws, the rules and regulations of the association, or this resolution, a \$35 fee shall be assessed against an owner in the event any check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds.

This returned check charge shall be a "common expense" for each owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the association shall be entitled to all additional remedies as may be provided by

applicable law. If two or more of a unit owner's checks are returned unpaid by the bank within any (fiscal) year, the association may require that all of the unit owner's future payments, for a period of one year, be made by certified check or money order.

Application of Payments. Payments received from an owner will be credited in the following order:

1. Charges for legal fees, court costs, and other costs of collection.
2. All late charges and interest accrued, as applicable.
3. All other charges incurred by the association as a result of any violation by an owner of the declaration, articles of incorporation, bylaws, rules and regulations, or resolutions.
4. The monthly assessment for a unit, including any special assessment due, as applicable; payments shall be applied toward the oldest month(s) then owed.

Schedule of Delinquency Notices

Statement of Late Payment – If payment has not been received in the office of the Property Manager by the 10th of the month (or by the otherwise scheduled due date), the owner will be sent by electronic and/or 1st Class Mail a statement/invoice of the account that documents what payment or fees are due and the imposition of the late fee. Non-receipt of the invoice shall in no way relieve the owner of the obligation to pay the amount due by the due date.

First Notice – An account is 30 days past due when the homeowner owes one past due monthly assessment and late fee, and one current monthly assessment. If full payment of the account balance has not been received in the office of the Property Manager within 30 days of the scheduled due date, the owner will be sent by electronic and/or 1st Class Mail a reminder letter and a statement of the account that documents what payment or fees are currently due and the imposition of the late fee. The letter shall also state that unless the owner disputes in writing the account balance or any portion thereof within 30 days of mailing of the letter, the debt will be assumed to be valid; and if the balance is disputed, the Property Manager will prepare and mail verification of the debt to the owner.

Second Notice – An account is 60 days past due when the homeowner owes two past due monthly assessments and late fees, and one current monthly assessment. If full payment of the account balance has not been received in the office of the Property Manager within 60 days of the scheduled due date, the owner will be sent by electronic and/or 1st Class Mail a letter and a statement of the account that documents what payment or fees are currently due and the imposition of the late fee. The letter shall inform the owner that his/her account is seriously delinquent and that failure to bring the account current will result in the account being referred to an attorney for collection. The association simultaneously send a copy of the notice to the mortgagee of the unit.

Demand Letter – If an account has any fees that are more than 75 days in arrears, a demand letter will be sent to the owner by electronic and/or 1st Class Mail. The demand letter will state that if the account balance due is not received in the office of the Property Manager within 10 days, that the account will be referred to the association's attorney for collection. The association may simultaneously send a copy of the notice to the mortgagee of the unit.

Disputing the Account Status. If the owner feels that the delinquent status of the account is in error, this must be communicated in writing to the Property Manager within 10 days of receipt of the *Statement of Late Payment*. Such communication should include an explanation and proof of

timely payment. The Property Manager will make its best efforts to reconcile the disagreement with the account records. This review process does not delay or obviate the requirement for other scheduled notices. This process may be conducted by written communication or alternately the owner may request a hearing to resolve the issue.

Referring Delinquent Accounts to Attorneys. The association may, but shall not be required to, refer delinquent accounts to an attorney for collection. Upon referral to the attorney, the attorney shall take all appropriate action to collect the accounts referred.

As an additional expense permitted under the declaration, articles, bylaws, and statutes, the association shall be entitled to recover its reasonable attorney's fees and collection costs incurred in the collection of assessments or other charges due the association from a delinquent owner. The reasonable attorney's fees incurred by the association shall be due and payable immediately when incurred, upon demand.

Once an account is referred for collection, neither the Executive Board nor the Property Manager may communicate on this matter with the owner. All communication must be through the association's attorney. All payments to satisfy the debt must be paid to the attorney.

The specific details of the foreclosure policy and process are defined in Resolution #18 - Foreclosure Policy. In the event that there may be differences between this resolution and Resolution #18, the requirements of Resolution #18 shall rule.

Hardship Arrangements. The association may grant a waiver of certain provisions herein upon petition in writing by an owner showing a personal hardship. The key to consideration of a hardship request is the prompt communication of the need, before the account becomes substantially delinquent. Such relief in the form of a repayment schedule granted by the Executive Board to an owner shall be appropriately documented in the unit owner files. The Board may not forgive common fees, special assessment fees or other appropriate fees under any circumstances.

Use of Certified Mail/Regular Mail/Electronic Mail. In the event the association shall send a collection or demand letter or notices to a delinquent owner by electronic mail and/or 1st Class mail, the association may also send, but shall not be required to send, an additional copy of that letter or notice by certified mail.

The policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Executive Board. A copy of this policy shall be provided to all Unit Owners.

Effective on March 9, 2009.

Adopted by vote of the Executive Board on March 9, 2009.

Amended by vote of the Executive Board on August 16, 2016

President, Carol Ann Manzella

Secretary, Diane Gerber