

Resolution Adopting Collection Policy

The Board of Trustees of the Annehurst Village Residents Association (AVRA) adopted this Collection Policy to coincide with the newly adopted revisions to the Warranty Deeds that apply to every home in the Annehurst Corporate Area. We want all owners to understand that the annual dues is mandatory and the AVRA is obligated to collect the assessment from every owner. In order to do this we needed to adopt a policy and notify each owner of the AVRA Collection Policy. This policy outlines the procedure that will be used to collect the Annual Assessment that will be charged to each property.

The board of trustees hopes that the new assessment is well received and that residents realize that it will be used to secure the future of the AVRA.

The following Resolution has been adopted by the AVRA pursuant to the reservations, restrictions, conditions, easements, charges agreements, covenants, obligations, rights, uses and provisions of the warranty deeds, bylaws and articles of at a regular meeting of the Board of Trustees.

RECITALS

1. The Association is charged with certain responsibilities regarding the care, maintenance, and service of certain portions of the Association property.
2. The Association must have the financial ability to discharge its responsibilities.
3. The Board of Trustees is required to pursue collection of assessments and other charges from delinquent owners.
4. The Board of Trustees of the Association desires to adopt a uniform, non-discriminating and systematic procedure to collect assessments and other charges of the Association.

NOW, 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.

1. **Due Dates.** The annual assessment, including maintenance fees, as determined by the Association, and as allowed for in the Declaration and Code of Regulations and Articles of Incorporation, shall be due and payable in one (1) payment on the 1st day of March every year. Assessments or other charges not paid to the Association by the 15th day of April in the year in which they are due shall be considered past due and delinquent.
2. **Invoices.** The Association may, but shall not be required to, invoice a homeowner as a condition to a homeowner's obligation to pay assessments or other charges of the Association. If the Association provides a homeowner with an invoice for an annual assessment, although invoices are not required, the invoice should be mailed or sent to the homeowner between the 1st and 25th day of the month preceding each due date. Non-receipt of an invoice shall in no way relieve the homeowner of the obligation to pay the amount due by the due date.

Late Charges Imposed on Delinquent Installments. An annual assessment shall be past due and delinquent if not paid by the 15th day of April in the year in which it is due. The Association shall impose a late charge of no less than 5% of the delinquent amount then due the Association. The late charge shall be the personal obligation of the homeowner for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice.

3. **Interest.** The Association shall impose interest at the monthly rate of 1.5% of the delinquent amount then due the Association. The interest shall be the personal obligation of the homeowner for which such assessment or installment is unpaid. All interest shall be due and payable immediately.
4. **Return Check Charges.** In addition to any and all charges imposed under the Warranty Deeds, Articles of Incorporation, Bylaws of the Association, or this resolution, a \$25.00 fee shall be assessed against a homeowner in the event any check or other instrument attributable to or payable for the benefit of such homeowner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such returned check shall be due and payable immediately, upon demand.
5. **Attorney's Fees on Delinquent Accounts.** As an additional expense permitted under the Warranty Deeds, Articles of Incorporation, Bylaws of the Association, or this resolution, 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.
6. **Application for Payments made to the Association.** Payments received from a homeowner will be credited in the following order:
 - First: Charges for legal fees, court costs and other costs of collection.
 - Second: All late charges and interest accrued, as applicable.

- Third: The annual operating assessment for a homeowner, including any special assessment due, as applicable; payments shall be applied toward the oldest amount then owed.
7. **Collection Letters.**
 - a. After an operating assessment or other charge due the Association becomes 45 days past due, the Association may cause, but shall not be required to send, a “late notice” to the homeowner. The Association may simultaneously send a copy of the notice to the mortgagee.
 - b. If payment in full is not received within 30 days from the date the “late notice” is sent, the Association may, but shall not be required to, send a “Notice of Intention to Refer Account to the Attorney” to the homeowner. The Association may simultaneously send a copy of the notice to the mortgagee of the unit.
 8. **Use of Certified Mail/Regular Mail.** In the event the Association shall send a collection letter or demand letter or notices to a delinquent homeowner by regular mail, the Association may also send, but shall not be required to send, an additional copy of that letter or notice by certified mail.
 9. **Liens.** The Association may file a notice of assessment lien against the property of any delinquent homeowner in accordance with the terms and provisions of the Warranty Deeds, Articles of Incorporation, Bylaws of the Association, or this resolution. A copy of the notice of assessment lien shall be mailed to the homeowner.
 10. **Referral of Delinquent Accounts to Attorneys.** The Association may, but shall not be required to, refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred including, but not limited to, the filing of a collection action against any homeowner(s) personally obligated to pay the delinquent accounts.
 11. **Collection Procedures and Time Frame.** The following time frame shall be used in the collection of the operating assessment and other charges.
 - Due date (date payment is due) March 1 every year.
 - Past due date (date payment is late) 16th day of April in the year the assessment is due.
 - Late charge imposed 16th day of April in the year the assessment is due.
 - Interest charges begin 16th day of April in the year the assessment is due.
 - “Late Notice” mailed imposing late fees, interest, etc., no sooner than April 16th of the year the assessment is due.
 - The Association may, but shall not be required to Account referred to attorney for legal action within 60 days of mailing “late notice” if payment not received.
 - Attorney sends collection letter for payment.
 - Homeowner fails to respond to attorney collection letter, an assessment lien may be filed if the delinquency exceeds \$100.00 and/or a collection lawsuit may be filed if the delinquency amount exceeds \$200.00.
 - The attorney is to consult with the Board at all times to determine if payment has been arranged or to determine which collection procedures are appropriate.
 12. **The Association may Grant a Waiver of any Provision herein upon Petition in Writing by a Homeowner Showing a Personal Hardship.** Such relief granted a homeowner shall be appropriately documented in the files with the name of the person or persons representing the Association granting relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits, liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
 13. **Notification to Homeowners.** The Association shall cause all homeowners to be notified of this resolution and the late charges, returned check charge, and attorney’s fees to be imposed after the effective date of those provisions of this Resolution. All other policies and procedures set forth in this resolution shall be effective immediately.
 14. **Ongoing Evaluation.** Nothing in this resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis.