

Hawks Prairie Community Association
DELINQUENCY COLLECTIONS RESOLUTION
Policy Resolution # 1

WHEREAS, the Board of Directors of the **Hawks Prairie Community Association** (hereinafter referred to as the "Board") is charged with the responsibility of collecting assessments for common expenses from owners pursuant to Article V of the Declaration; and

WHEREAS, from time to time owners become delinquent in their payments of said assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a fair, uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to timely refer these accounts to an attorney or collection agent for collection so as to minimize the Association's loss of assessment revenue.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Association shall pursue collection of all delinquent regular, special or specific assessments, or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments") which the Board, acting through Managing Agent, may from time to time encounter and shall use all reasonable and lawful methods as are deemed prudent to collect such delinquent Assessments.
2. The Managing Agent, acting on behalf of the Association and at the direction of the Board, shall employ the services of a collection agent or an attorney (collectively referred to herein as the "Collection Agent") and other related professionals, as needed, to carry out this resolution. Furthermore; in addition to any Association imposed late charges or penalties, the Managing Agent may collect from the Association and subsequently charge to each or any individual owners' delinquent account an **administrative charge** not to exceed **\$25.00** per delinquent owners' account, per month, to cover the Managing Agent's time and effort contributed to collecting the respective delinquent owners' account on the Association's behalf. The Administrative Fees are only applicable until such time as the delinquent account is turned over to a Collection Agency. The intent of this provision is that the delinquent owner(s) bear the expense of the Managing Agent's time and effort that is directly caused by the delinquent owners' actions or inactions, rather than the entire Association being unfairly burdened with that expense.
3. The Association hereby establishes, pursuant to Article V of the Declaration, an interest rate of 0.00% to be accrued to delinquent accounts.

4. Pursuant to Article V of the Declaration, if any assessment has not been received by Managing Agent as of the **fifteenth (15th) day** of the month in which an assessment is due, said assessment shall be considered to be delinquent, and therefore a late fee payable to the Association in the amount of Thirty-Five Dollars (\$35.00) shall be levied, in addition to the delinquent amount, which the Managing Agent is authorized and directed to charge to and collect from any delinquent owner. NOTE: Late fees themselves are not subject to late fees. Payments received on the delinquent account are applied to the oldest outstanding balance first. Any remaining unpaid balance after application of the payment may be subject to an additional late fee.
5. Concurrent with the levying of the initial late fee, the Managing Agent is directed to send, via First Class US Mail, a written notification (hereinafter referred to as the "First Notice") of the late fee assessment and demand for immediate payment.
6. If any assessment has not been received by the Managing Agent by the fifteenth (15th) day of the month following the month originally due (approximately 45 days past due in total), an additional late fee payable to the Association in the amount of Thirty-Five Dollars (\$35.00) shall be levied, in addition to the delinquent amount which the Managing Agent is authorized and directed to charge and collect from any delinquent owner. NOTE: Only one \$35.00 late fee, in aggregate, shall be charged in any given month. In addition, late fees themselves are not subject to late fees. Payments received on a delinquent account are applied to the oldest outstanding balance first. Any remaining unpaid balance may become subject to an additional late fee.
7. Concurrent with the levying of the second (15th day) late fee, the Managing Agent is directed to send, via First Class US Mail, a written notification (hereinafter referred to as the "Second Notice"), of the late fee assessment and demand for payment
8. The Second Notice sent by the Managing Agent to a delinquent owner shall state that any request for special consideration of hardship circumstances, leniency, or amnesty, including any and all reasons why the Board should consider the request, must be submitted in writing to the Board before the Assessment becomes 45 days delinquent, together with a request for a hearing, or in the alternative, a request that the determination be made by the Board based on the written request itself. If a request for special consideration is not so submitted, then such opportunity for request shall have been deemed waived. In addition, the Second Notice shall notify the owner of possible additional collection actions the Board may choose to impose if the outstanding balance is not paid.
9. If any assessment has not been received by the Managing Agent by the fifteenth (15th) day of the second month following the month originally due (approximately 75 days past due in total), an additional late fee payable to the Association in the amount of Thirty-Five Dollars (\$35.00) shall be levied, in addition to the delinquent amount which the Managing Agent is authorized and directed to charge and collect from any delinquent owner. NOTE: Only one \$35.00 late fee shall be charged **by the Association and one administrative fee (up to \$25.00) shall be charged by Managing Agent** in any given month. In addition, late fees themselves are not subject to late fees. Payments received on a delinquent account are applied to the oldest

outstanding balance first. Any remaining unpaid balance after application of the payment may be subject to an additional late fee.

10. Concurrent with the levying of the third (15 day) late fee, the Managing Agent is directed to send, via First Class US Mail, a written notification (hereinafter referred to as the "Third Notice"), of the late fee assessment and demand for payment.

11. The Third Notice sent by the Managing Agent to a delinquent owner shall demand payment in full within 10 days of the date of the Third Notice. In addition, the Third Notice shall specify that if the outstanding balance is not received by the Managing Agent by the demand date, the account may be referred to the Association's Collection Agent for collection and a Notice of Claim of Lien may be recorded and a copy thereof will be forwarded to any Eligible Holder (as defined in the Declaration) of a Mortgage against the Unit.

12. The Managing Agent is directed to refer the account to the Association's Collection Agent and cause to be filed a Notice of Claim of Lien against the delinquent owner's Unit as described in the Third Notice and is further directed to send a copy thereof to any Eligible Holder of a Mortgage on the Unit if the owner's assessments remain delinquent for thirty (30) days after the date of the Third Notice.

13. The Managing Agent is directed to consult with the Board to make a determination to turn over for collection and / or file a Notice of Claim of Lien immediately any account where the owner becomes deceased or the owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the Unit.

14. The following policies shall apply to all delinquent accounts turned over to the Association's Collection Agent (either by the Collection Agency or the Collection Attorney) for collection:

A. All subsequent contacts with a delinquent owner shall be handled through the Association's Collection Agent. Neither the Managing Agent nor any Association Officer or Director shall discuss the collection of the account directly with an owner after it has been turned over to the Association's Collection Agent unless the Association's Collection Agent is present or has consented to the contact.

B. All sums collected on a delinquent account shall be remitted directly to the Association's Collection Agent until the account has been brought current.

C. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent Unit and owner and shall be collectable as an Assessment as provided in Article V of the Declaration. The Association's Collection Agent shall provide notice to the delinquent owner that, if the delinquent account is not brought current within the time stated, or a satisfactory agreement has not been reached to accomplish this, sanctions as called out in Article V of the Declaration may be implemented until full payment is received. At the expiration of the notice period, the Association's Collection Agent shall inform

the Managing Agent of the status of the account and the Managing Agent shall implement any such remedies as may be directed by the Board.

D. In the event that a delinquent owner rents his or her Unit, the Association's Collection Agent is authorized, pursuant to provisions of the Association's governing documents, to demand and collect the rent from the tenant in the Unit.

E. To the extent appropriate in the circumstances, the Board may approve for the Association's Collection Agent to accept an installment payment plan, secured by a Stipulation for Judgment.

F. Where at the expiration of the period specified in the Collection Agent's demand letter an account remains delinquent or with a payment plan embodied in a signed Stipulation for Judgment or a signed agreement by a renter and in the event of a default under the terms of either agreement, the Association's Collection Agent is authorized to take such further action as the Collection Agent, in consultation with the Managing Agent and/or the Board, believe to be in the best interest of the Association, including but not limited to:

1.) Filing suit against the delinquent owner for money due pursuant to Article V of the Declaration; or

2.) Instituting a non-judicial action for foreclosure of the Association's lien, pursuant to Article V of the Declaration; or

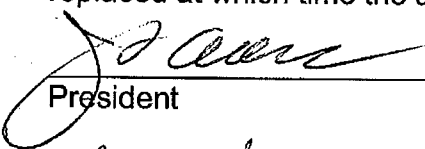
3.) Filing a proof of claim in bankruptcy; or

4.) Instituting a judicial action for foreclosure of the Association's lien, pursuant to Article V of the Declaration and seeking the appointment of a receiver for the Unit pursuant to Article V of the Declaration.

15. The Board reserves the right to make exceptions, by majority vote, to the provisions contained herein.

16. Within 30 calendar days following the adoption of, amendment of, or replacement of this resolution, a copy of this adopted, amended, or replaced resolution shall be sent to all owners of record via First Class US mail at their last known address.

This resolution was adopted by the Hawks Prairie Community Association Board of Directors on the 26 day of October, 2011, and shall be effective on the 1st day of January, 2012 until amended or replaced at which time the amended or replacement resolution shall become superior.



President

10/26/2011

(Date)

ATTEST:



Secretary

10/29/2011

(Date)