

**RESOLUTION OF THE BOARD OF DIRECTORS  
TUSCANY RESERVE HOMES ASSOCIATION, INC**

(Procedures for Collection of Delinquent Payments)

WHEREAS, Article IV, Paragraph 1 of the Amended and Restated Homes Association Declaration of Tuscany Reserve Homes Association, Inc. creates an assessment obligation for the owners of homes in **Tuscany Reserve Homes Association, Inc** ("Association"), which is a continuing lien on the home and a personal obligation of the owner; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of said assessments; and

WHEREAS, Article VI, Paragraph 1 of the Amended and Restated Homes Association Declaration grants the Board of Directors the authority to enforce payment of assessments by means of, *inter alia*, foreclosing the lien against any home for which assessments are not paid or filing a lawsuit; and

WHEREAS, the Board of Directors desires to establish these procedures in conformity with the Declaration, the Bylaws, and as otherwise provided by law;

NOW, THEREFORE, LET IT BE RESOLVED THAT the Board of Directors, on behalf of the Association, duly adopts the following collection procedures:

1. **ASSESSMENTS**: Each owner's quarterly assessment is due on the first day of each fiscal quarter.

Notices, documents and all correspondence relating to assessments shall be mailed to the address which appears on the books of the Association. It is each owner's responsibility to inform the Association's managing agent of any address change. Failure of an owner to inform the Association's managing agent of any address change does not exempt the owner from paying all assessments, costs and charges in full on or before the due date in accordance with the Declarations, By-Laws and Collection Resolution for the Association.

2. **DELINQUENCY**: An owner's account is delinquent if an assessment is not received on or before the due date.

3. **LATE FEES**: A delinquent account which is not paid within 30 days after the due date may be assessed a late fee of 5% of the unpaid amount and the unpaid amount shall bear interest at the rate of 10% per annum (or, if lower, the maximum rate permitted by law) from the delinquency date until paid, which late fee and interest shall become part of the delinquent assessment and the lien on the lot. In addition, a \$25 returned check charge and any related bank charges may be assessed against the account of the unit owner responsible for payment if the payment is returned for any reason. Refer to attached collection provision from Board of Directors manual. In addition, fees related to the collection efforts of the Association's managing agent on behalf of the Association may be assessed to the accounts of unit owners.

4. DEBT COLLECTION OPTIONS: In order to collect a debt owed to the Association by a member, the following options may be used until the debt is satisfied:

- Legal action described below.
- Suspension of a member's privileges, including amenities, services and utilities.
- Per Article VI, Paragraph 3, No lot shall be entitled to receive any services to be provided by and through the Homes Association until quarterly assessment have been paid including, but not limited to, waste removal services.
- Suspension of voting rights.
- Tuscany Reserve, Inc. board manual collection policy steps listed below.

Accounts that are 30 days delinquent

Correspondence shall be mailed from the managing agent indicating a past due balance. An interest charge may be applied at the rate of 10% per annum and included in the balance indicated on the letter.

Accounts that are 60 days delinquent

Correspondence shall be mailed from the managing agent demanding payment of all past due balances. An additional interest charge at the rate of 10% per annum may be applied and included in the balance indicated on the letter.

Accounts that are 90 days delinquent

Correspondence shall be mailed from the managing agent indicating that if payment is not made, a lien may be filed against the unit and further collection efforts will be initiated. An additional interest charge at the rate of 10% per annum may be applied and included in the balance indicated on the letter, as well as a collection fee.

Accounts that are 120 days delinquent

Correspondence shall be mailed from the managing agent indicating that a lien is in the process of being filed against the unit and further collection efforts may be initiated. An additional interest charge at the rate of 10% per annum, all lien fees and collection charges may be added to the delinquent account and included in the balance indicated on the letter. Further correspondence with a copy of the filed lien will be mailed from the managing agent once the lien has been filed with the county.

Until such time as the lien has been satisfied including all costs incurred by the Association, all services provided by the Association may be discontinued subject to personal safety considerations.

Accounts that are 150 + days delinquent

Accounts that remain delinquent beyond 150 days may be turned over to an attorney for collection on behalf of the Association. Interest charges at the rate of 10% per annum may continue to be applied monthly and included in the balance owed, as well as any collections, lien, foreclosure, lawsuit or other attorney fees and charges accrued in an effort to rectify the outstanding balance.

5. LEGAL ACTION: If an account remains delinquent, the Association may retain an attorney to proceed with further legal action, including, but not limited to, foreclosing on the



owner's property, or filing a lawsuit, obtaining a judgement, or any combination of these, against the owner to collect the owner's past due assessments, late fees, interest, costs of collection efforts and lien filing, and attorney fees.

6. PAYMENTS CREDITED: Payments received from an owner will be credited to the outstanding balance and applied to the oldest outstanding charges, fees & assessments first.

7. PARTIAL PAYMENTS: In the event an owner attempts to make a payment of less than all monies due and owing the Association after collection proceedings have commenced, the Association's attorney or designated collection agent will send a letter to the owner advising the owner that his or her account remains delinquent as to all remaining monies owed to the Association. The Association's retention of the partial payment does not constitute a waiver of the Board's authority to foreclose on the owner's property to take action against the owner to collect the outstanding balance.

Failure by the Association to follow any of the procedures set forth in this Resolution shall not excuse any owner from their obligation to pay all assessments, charges and costs, including attorney fees, due in a timely manner, nor does such failure constitute a waiver of the Association's right to collect all assessments, costs, charges due the Association.

This policy is effective beginning January 1, 2021. This policy replaces and supersedes all prior policies and procedures for delinquent payments.

Signed April 8<sup>th</sup>, 2021



Printed Name: David B. Ackerman  
President – Board of Directors