

**RESOLUTION OF THE BOARD OF DIRECTORS
OF STALEY FARMS HOMEOWNERS' ASSOCIATION**

(Procedures Relative to Assessments, Collection of Routine and Special Assessments as well as Delinquent Payments)

WHEREAS, **Article IV**, of the Amended and Restated Staley Farms Homeowners' Association Declaration creates an assessment obligation for the owners of homes in the Villa Property Owners Association (hereinafter the "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** of the Amended and Restated Staley Farms Homeowners' 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 monthly assessment is due on the first day of each month. 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.
2. **DELINQUENCY**: An owner's account is delinquent if an assessment is not received within thirty (30) days after the due date of same.
3. **LATE FEES AND INTEREST**: A delinquent account which is not paid within thirty (30) days after the due date, the account will be assessed a 12% interest per annum (or such other rate as the Board shall establish from time to time but in no event at a rate that is usurious under applicable law) on the delinquent assessments from the due date until paid in full and the delinquent owner shall reimburse the association for any and all expenses incurred by the Association to recover amounts due. A delinquent account shall be assessed a late fee of 5% of the unpaid balance if not paid within thirty (30) days from the due date. In addition, a \$35 returned check charge and any related bank charges will be assessed against the account of the unit owner responsible for payment if the payment is returned for insufficient funds.
4. **LATE NOTICES**: If full payment of an assessment is not received by the Association's managing agent by the due date, the managing agent will send a delinquency notice to the owner by first class mail requesting immediate payment, advising the owner advising that interest has begun to accrue on the unpaid balance at the rate of 8 percent interest per annum. The failure to follow these procedures will not stop the delinquency process.
5. **INTENT TO CREATE LIEN**: If an account is delinquent after 120 days, the Association may record a "Notice of Lien" against the home in county land records. For each Certificate of Lien filed by the Association, the Owner of the Lot or Townhome Unit shall pay the Association a fee of \$200, which fee shall be added to the owner's account. The Managing Agent Fee for preparing notices is \$175.00 or as amended from time to time in addition to the managing agent's fee will be applied the owner's account.

The Notice of Lien will inform the public of the amount of the outstanding balance, including all past due assessments, late fees, interest, costs of collection and reasonable attorney fees. The Notice of Lien will conform with applicable laws.

6. 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 membership rights, per the Amended and Restated Staley Farms Homeowners' Association Declaration (**Article VI, Section 6.05**).

7. 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, or both, against the owner to collect the owner's past due assessments, late fees, interest, costs of collection, and attorney fees.

8. PAYMENTS CREDITED: Payments received from an owner will be credited to the outstanding balance in the following order:

- a. Court costs, attorney fees, and other costs of collection.
- b. Fines, late fees, or accrued interest, as applicable.
- c. Special assessments.
- d. Annual assessments.

Once an account becomes delinquent, payment from the delinquent owner may be required to be made by certified or cashier's check or by money order.

9. 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 by first class mail 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, interest, charges and collection 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 and interest due the Association.

This policy is effective beginning January 1st, 2019. This policy replaces and supersedes all prior policies and procedures for delinquent payments.

Adopted by the Board of Directors this 11 day of November 2018.

Donald Brooks

Printed Name: Donald Brooks
President – Board of Directors

Printed Name _____
Vice President -Board of Directors