

**RESOLUTION OF THE BOARD OF DIRECTORS
THE WILSHIRE HOMEOWNERS' ASSOCIATION**

(Procedures for Collection of Delinquent Payments)

WHEREAS, Section 10a of the Declaration of Restrictions to Wilshire Homeowners Association creates an assessment obligation for the owners of homes in the Wilshire Homeowners Association ("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, Section 10b of the 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 annual assessment is due on the first day of January. 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 on or before the first day of February.
3. LATE FEES AND INTEREST: A delinquent account which is not paid by the first day of February will bear interest on the unpaid balance from the due date, until paid, at the rate of 10 percent per annum. In addition, a \$25 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 within 31 days after the due date, the managing agent will send a delinquency notice to the owner by first class mail requesting immediate payment, advising the owner of the late fee, and advising that interest has begun to accrue on the unpaid balance at the rate of 10 percent per annum.
5. INTENT TO CREATE LIEN: If an account is delinquent, the Association may record a "Notice of Lien" against the home in county land records.

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 a member's privileges, including swimming pool and clubhouse.
- Suspension of trash disposal services.
- Suspension of voting rights.

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.

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 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 1, 2018. This policy replaces and supersedes all prior policies and procedures for delinquent payments.

Signature: Lou Patterson Date Signed: 4-16-2018

Printed Name: Lou Patterson Title: President
Board of Directors

Wilshire HOA Delinquency Processing Flow Chart

Due January 1st
Delinquent after 30 days

Assessments shall be payable on January 1 of the calendar year for which the assessment pertains. Assessment shall be due and payable not later than thirty (30) days from the date of levying the assessment.

30 Days Past Due from January 1st

In the event of the failure of any Owner to pay the assessment on or before the first day of February following the making of such assessment, then such assessment shall bear interest at the rate of ten percent (10%) per annum from the first day of January. A letter to be sent to owner.

60 Days Past Due from January 1st

Nonpayment of any assessment provided for herein within 30 days from the due date thereof shall cause such assessment to become delinquent. Payment of both principal and interest of a delinquent assessment may be enforced as a mortgage lien.
HOA shall collect from the Owner of the lot fees pertained to the filing of a lien.
Letter sent out to owner notifying them of the account balance. Access to amenities denied.

90 Days Past Due from January 1st

Demand Letter and legal process to collect on outstanding balance. Legal fees charged back to homeowner.
Lawsuit and judgement to follow.

120 Days Past Due from January 1st

Lawsuit and judgement to collect on outstanding balance.
All applicable fees charged back to homeowner.