

**CARDINAL GLEN II HOMEOWNERS ASSOCIATION, INC.**

**POLICY RESOLUTION 2012-1**

(Policy and Procedures Concerning the Collection of Charges, Fees, and Assessments)

**WHEREAS**, Article IV of the Declaration of Covenants, Conditions and Restrictions for Cardinal Glen II ("Declaration") empowers the Association to adopt a budget and the annual assessment; and

**WHEREAS**, Article IV, Section 7 of the Declaration states that "[a]ny assessment not paid within fifteen (15) days after the due date shall be assessed a late fee and shall bear interest from the due date as shall be determined by the Board of Directors;"

**WHEREAS**, the Board has determined that it is in the best interest of the Association to adopt a formal collection policy, and;

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

**NOW THEREFORE, BE IT RESOLVED THAT** the Board duly adopts the following assessment procedures:

**I. ROUTINE COLLECTION PROCEDURES**

- A. All regular monthly assessments shall be due and payable on or before the 1<sup>st</sup> of each month, and all installments of any special or additional assessments shall be due and payable on the date or dates specified in the notice of such special or additional assessment delivered or mailed to the Owners (collectively "Due Date"). The Board shall retain authority to permit the payment of any special or additional assessment on a monthly, quarterly, semi-annual basis or annual basis. (As used herein, the term "special assessment" shall include any expressly authorized monetary charges imposed upon an Owner for violation of the Association's governing documents.)
- B. All documents, correspondence, and notices relating to regular or special or additional assessments or other charges shall be mailed to the address which appears on the books of the Association or to such other address as is designated in writing by the applicable Owner. Notice of any special or additional assessment shall be sent to each Owner by first class mail, except in the case of any violation assessment, notice of such violation assessment shall be sent by Certified Mail, Return Receipt Requested. Each non-Resident Owner shall furnish the Board with an address where the Owner will at all times promptly and regularly receive mail. Any failure by an Owner to claim a certified mailing sent by the Association will not invalidate the notice issued by the Association.
- C. Non-receipt of payment coupons shall in no way relieve an Owner of the obligation to pay the amount of any regular monthly assessment by the applicable Due Date.

## II. REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

- A. Any assessment, or installment thereof, not paid within fifteen (15) days after the applicable Due Date shall incur a late fee in the amount of \$25.00 or such other amount as may be determined by the Board.
- B. Any assessment, or installment thereof, not paid within fifteen (15) days after the applicable Due Date shall incur interest at the rate of eight percent (8%) per annum from the Due Date or such other amount as may be determined by the Board, until the balance is paid in full.
- C. A "Late Notice" may be sent to any Owner who has not paid any assessment in full by the close of business 10 days after the applicable Due Date.
- D. No additional notice of the imposition of interest, late fees, and cost of collection charges may be provided to an Owner other than the Late Notice. Any interest, late fees, and/or costs, including costs of collection charges (i.e. charges imposed by management to send Late Notice) imposed shall constitute a lien upon the Lot of the defaulting Owner and shall be the personal obligation of the Owner of such Lot during the time that the assessment or charge came due.
- E. If a check is returned to an Owner because it has been improperly filled out (including but not limited to missing signature, amounts do not match, post dated) and is not resubmitted to the Association within 30 days after the applicable Due Date, the \$15.00 late fee and any cost of collection charge, including bank charges, will be assessed to such Owner's account.
- F. No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board if the Owner is delinquent in any payment due the Association.
- G. If an Owner fails to pay two consecutive assessment installments in a timely manner, all remaining installment payments for that fiscal year shall automatically be accelerated, and the entire balance of the applicable annual, special or additional assessment, as the case may be, shall be due and payable in full.
- H. If payment in full of any assessment, including any special assessment payable in installments, plus all associated interest, late fees, cost of collection charges, and returned check fees are not received by the Association or its appointed agent by the 60th day after the applicable Due Date of such assessment or installment thereof, the Owner's account will be referred to an attorney for collection.
- I. Counsel for the Association shall take such other appropriate legal action as reasonably directed by the Board, including but not limited to filing a lawsuit and foreclosing on the Association's liens.

- J. If the Association receives from any Owner, in any accounting year, two or more returned checks for payments of such Owner's assessments or other payments, the Board may require all future payments to be made by certified check or money order for the remainder of such accounting year.
- K. All costs incurred by the Association as a direct result of any default specified herein shall be specifically assessed against such Owner and such Owner's Lot as permitted herein. Such costs include, without limitation, actual legal or administrative expenses (regardless of whether suits or liens are filed) resulting from an Owner's failure to pay any assessment when due or from any other default by such Owner as provided herein.
- L. The Board may grant a waiver of late fees and/or interest upon petition in writing by an Owner alleging a personal hardship or other exceptional cause. Such relief granted to an Owner shall be appropriately documented in the Association's books and records along with the name of the person or persons representing the Board granting the relief and the conditions upon which such relief was granted. Waivers shall be made on a case-by-case basis upon review of particular circumstances. Furthermore, any waiver on one occasion shall not be deemed or construed as a waiver in any future instance of delinquency by such Owner or any other Owner.
- M. Once an account has been referred to Counsel for collection, payments received towards the account will be credited in the following order of priority:
1. Charges for attorney's fees and costs.
  2. Late fees.
  3. Cost of collection charges.
  4. All interest accrued.
  5. All other charges incurred by the Association as a result of any default hereunder.
  6. Any assessment due for each Lot, including any special assessment thereon.

The effective date of this Resolution shall be June 1, 2012.

CARDINAL GLEN II HOMEOWNERS  
ASSOCIATION, INC.

By Christy A. Long  
Christy Long, President

**CERTIFICATE OF MAILING**

I hereby certify that a copy of this Resolution was \_\_\_\_\_  
\_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Angela Bamedo, Property Manager

**RESOLUTION ACTION RECORD**  
**POLICY RESOLUTION 2012-1**

(Policy and Procedures Concerning the Collection of Charges, Fees, and Assessments)

Duly adopted at a meeting of the Board of Directors held May 22, 2012

Motion by: Christy Long Seconded by: Don Linderer

		VOTE:			
		YES	NO	ABSTAIN	ABSENT
<u>Christy A Long</u>		<u>X</u>	_____	_____	_____
President					
<u>[Signature]</u>	<u>Yes</u>	_____	_____	_____	_____
Vice President					
_____		_____	_____	_____	_____
Secretary/Treasurer					

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Date

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