

**Defoors Square II Homeowners Association, Inc.
Collection Policy Resolution**

Effective May 15, 2011

WHEREAS, Article III(C) of the By-Laws of the Defoors Square II Homeowners Association, Inc. (DSIIHOA or the Association) grants power to the Board of Directors (Board) to conduct DSIIHOA business; and

WHEREAS, Article I, Section 4, Article III, Section 3, and Article VIII, Sections 1-8, as amended, of the Declaration of Covenants, Conditions and Restrictions (Covenants) for DSIIHOA grants the authority to levy and collect assessments against owners; and

WHEREAS, the Association's economic well-being relies on the timely payment of assessments and other allowable charges; and

WHEREAS, it is the Board's duty to use its best efforts to collect funds owed to the Association;

IT IS HEREBY RESOLVED THAT the following collection procedures shall be implemented by the Association effective March 1, 2011:

1. **AMOUNTS PAYABLE TO THE ASSOCIATION** include, but are not limited to, annual assessment, special assessments, rules enforcement fines, water bills, repairs to the property that are the owner's responsibility, and legal fees and other costs associated with collection of funds on behalf of the Association.
2. **PAYMENT SCHEDULE.** The annual assessment is payable in equal monthly installments in advance on the first day of each month. Payments not postmarked by the 10th of the month are considered delinquent, unless paid through automatic clearinghouse (ACH) debit procedures established by the Association. ACH payments are considered delinquent if funds are not available in an account on the day the account is debited.
3. **LATE CHARGES, NON-SUFFICIENT FUNDS (NSF) FEES AND INTEREST CHARGES**
 - a. A late charge of \$25.00 shall be charged for for all past due assessments.
 - b. The charge for NSF returned checks is \$25.00.
 - c. Balances older than 30 days incur interest charges at the rate of 10% per year.
4. **ORDER OF CREDITING PAYMENTS.** Payments shall be first applied to costs and legal fees, then to late charges, and then to delinquent assessments.

5. ACTIONS AND NOTICE

- a. **15 DAYS.** If assessments, fines or other charges are delinquent for more than 15 (fifteen) days from the due date, the Board may serve notice and accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment with 10 (ten) days written notice.
 - b. **30 DAYS.** After 30 days, the owner's right to use the Common Area and voting rights are automatically suspended. Notice may be served and a suit may be instituted to collect all amounts due.
 - c. **90 DAYS** After 90 days water service may be suspended without notice. The owner is responsible for all required costs to do so.
6. **LEGAL FEES.** If a delinquent account is sent to collection, the owner shall be charged the Association's reasonable attorney fees actually incurred and related other costs.
7. **OTHER CHARGES.** The Association may assess the owner for:
- a. Fees or charges by the Property Management Agency for collection costs
 - b. Fees or charges related to notifying, filing or satisfying property liens
 - c. Fees or charges related to enforcing the Association's Covenants, Rules or Policies
 - d. Fees or charges related to collection and litigation
 - e. Fees or charges related to repairs to the Common Area caused by the acts of owners, their tenants or guests
 - f. Fees or charges incurred in disconnecting or reconnecting any utility services
 - g. Other unforeseen costs incurred in collecting delinquent payments
8. **STATEMENT OF ACCOUNT.** The Association does not issue credit card or country club billing type statements of account. However, owners can request one at any time from the Association's management company.

Recorded in the Book of Minutes May 15, 2011

Margaret English (signature on file)
Margaret English
Secretary