

Resolution Adopting Collection Policy

The Board of Trustees of Preston Commons Homeowners' Association ("Association") Adopting a Collection Policy.

Adopted on this 21st day of November, 2024

The following Resolution has been adopted by the Association pursuant to the Declaration of Subdivision Restrictive Covenants ("Declaration") and Ohio Revised Code Section 5312.06, at a regular meeting of the Board of Trustees.

RECITALS

1. The Association is charged with certain responsibilities regarding the care, maintenance, and service of certain portions of the Association property.
2. The Association must have the financial ability to discharge its responsibilities.
3. The Board of Trustees is required to pursue collection of assessments and other charges from delinquent owners.
4. The Board of Trustees of the Association desires to adopt a uniform, non-discriminating and systematic procedure to collect assessments and other charges of the Association.

NOW, THEREFORE, BE IT RESOLVED, the Association does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association.

Due Dates. The annual operating assessment, including maintenance fees, as determined by the Association, and as allowed for in the Declaration, shall be due and payable every year within thirty (30) of receipt of a written invoice indicating the amount of the assessment due each year. Assessments or other charges not paid to the Association within thirty (30) days of receipt of the invoice in the year in which they are due shall be considered past due and delinquent.

Invoices. the invoice should be mailed or sent to the homeowner on or about fifteen (15) days preceding the due date. Non-receipt of an invoice shall in no way relieve the homeowner of the obligation to pay the amount due by the due date.

1. **Interest Imposed on Delinquent Installments.** The annual assessment shall be past due and delinquent if it has not been paid within 30 days of receipt of a written invoice in the year in which the assessment is due. The Association shall impose interest at the annual rate of 18% (1.5% per month) of the delinquent amount then due the Association if not paid within 30 days of receipt of the written invoice, as more fully described above until the delinquent balance has been paid in full.

The interest shall be the joint and several personal obligations of the homeowner for which such assessment or installment is unpaid. All interest shall be due and payable, without notice, in the manner set forth above for payment of assessments.

2. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation, the rules and regulations of the Association, Ohio Revised Code Section 5312.06 or this Resolution, a \$35.00 fee shall be assessed against a

homeowner in the event any check or other instrument attributable to or payable for the benefit of such homeowner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such returned check shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the homeowner of the Lot for which payment was tendered to the Association for payment of sums due under the Declaration, Articles, rules and regulations, Ohio Revised Code Section 5312.06, or this Resolution after the date of the adoption of this Resolution. If two or more of a homeowner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the homeowner's future payments, for a period of one year, be made by certified check or money order.

3. **Attorney's Fees on Delinquent Accounts.** As an additional expense permitted under Ohio Revised Code Section 5312.11, the Association shall be entitled to recover its reasonable attorney's fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner. The reasonable attorney's fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

4. **Application for Payments made to the Association.** Payments received from a homeowner will be credited in the following order:

(1) To interest owed to the owners' association.

(2) To administrative late fees owed to the owners' association.

(3) To enforcement charges, collection costs, attorney's fees and paralegal fees the owners' association incurred in collecting the assessment.

(4) To the oldest principal amounts the Owner owes to the Association for the common expenses chargeable against the lot.

5. **Collection Letters.**

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a. After an operating assessment or other charge due the Association becomes 30 days past due, the Association may cause, but shall not be required to send, a "late notice" to the homeowner. The Association may simultaneously send a copy of the notice to the mortgagee.

b. If payment in full is not received within 30 days from the date the "late notice" is sent, the Association may, but shall not be required to, send a "Notice of Intention to Refer Account to the Attorney" to the homeowner. The Association may simultaneously send a copy of the notice to the mortgagee of the unit.

6. **Use of Certified Mail/Regular Mail.** In the event the Association shall send a collection letter or demand letter or notices to a delinquent homeowner by regular mail, the Association may also send, but shall not be required to send, an additional copy of that letter or notice by certified mail.

7. **Referral of Delinquent Accounts to Attorneys.** The Association may but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred including, but not limited to, the filing of a collection action against any homeowner(s) personally obligated to pay the delinquent accounts and/or a foreclosure action in the event a lien has previously been filed.

8. **Liens.** The Association, through its President or counsel, who is hereby designated a

representative of the Association, may sign, and record a notice of assessment lien against the property of any delinquent homeowner in accordance with the terms and provisions of the Declaration, Code of Regulations and Articles of Incorporation. Once recorded, a copy of the assessment lien shall be mailed to the homeowner. A copy of the notice of assessment lien may also be sent, but shall not be required to be sent, to the mortgage lender with a request that the lender send a letter to the delinquent homeowner advising the owner of the lender's option to accelerate the mortgage debt.

9. Collection Procedures and Time Frame. The following time frame shall be used in the collection of the operating assessment and other charges:

Due Dates. The annual operating assessment, including maintenance fees, as determined by the Association, and as allowed for in the Declaration, shall be due and payable every year within thirty (30) days of receipt by owner of a written invoice from the Association. Assessments or other charges not paid to the Association within 30 days of receipt of a written invoice from the Association shall be considered past due and delinquent. Interest shall thereafter be imposed as set forth in paragraph 1 above.

"Late Notice" mailed imposing interest, no sooner than 30 days after the assessment is due.

Account may be referred to attorney for legal action within 30 days of mailing "late notice" if payment not received.

The Association's attorney shall send a demand letter for payment to any owner who is thirty (30) days or more in arrears, with the costs of the letter to be added to the owner's account.

If homeowner fails to respond to attorney demand letter, an assessment lien may be prepared and recorded against any owner that is delinquent \$400.00 or more in arrears. The lien shall not be released until payments of all amounts past due are paid in full.

The Association's attorney may file complaints for collection of delinquent amounts in Municipal Court (including Small Claims Division) against any owner that is delinquent in the payment of assessments and related charges in an amount of no less than \$750.00.

With the Board's authorization, the Association's attorney shall prepare and file a foreclosure lawsuit against any owner that is delinquent in the payment of assessments and related charges by more than \$1,000.00. The complaint shall not be dismissed until payment of all amounts past due are paid in full, including all legal fees and court costs.

Upon service and/or notice to the Association of a Complaint for Foreclosure initiated by another lien holder, the Association's attorney shall file an Answer to protect the Association's interest.

The Association's attorney may file an Answer and Crossclaim, with the Board's authorization, in any foreclosure upon service and/or notice to the Association of a Complaint for Foreclosure initiated by another lien holder. The Association's Crossclaim shall not be dismissed until payments of all amounts past due are paid in full, including legal fees and court costs.

The attorney is to consult with the Board or its designated agent at all times to determine if payment has been arranged or to determine which collection procedures are appropriate.

10. The Association may Grant a Waiver of any Provision herein upon Petition in Writing by a Homeowner Showing a Personal Hardship. Such relief granted to a homeowner shall be appropriately documented in the files with the name of the person or persons representing the Association granting relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits, recording of liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

11. **Notification to Homeowners.** The Association shall cause all homeowners to be notified of this resolution and the late charges, returned check charge, and attorney's fees to be imposed after the effective date of those provisions of this Resolution. All other policies and procedures set forth in this resolution shall be effective immediately.

12. **Ongoing Evaluation.** Nothing in this resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case- by-case basis.

13. **Counsel Authorized To Take Collection Action.** Notwithstanding the foregoing, in an effort to protect the interests of the Association, Dittmer, Wagoner & Steele, LLC, counsel to the Association, or such other legal counsel as the Board of Trustees may choose, is authorized to take any of the foregoing actions at any time , in any order, or for any amount so long as such action is authorized by the Declaration, Association Governing Documents or the Ohio Revised Code.

IN WITNESS WHEREOF, the undersigned have executed this resolution on this ____ day of _____ 2024.

By _____ Date

Print Name: _____, Trustee

By _____ Date

Print Name: _____, Trustee

By _____ Date

Print Name: _____, Trustee

By _____ Date

Print Name: _____, Trustee

By _____ Date

Print Name: _____, Trustee

By _____ Date

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By Jeffrey Duffield Date November 21, 2024

Print Name: Jeffrey Duffield, President

By Bruce A. Burnett Date November 21, 2024

Print Name: Bruce A. Burnett, Vice President

By Teresa Tucker Date November 21, 2024

Print Name: Teresa Tucker, Secretary

By Josephine Burnett Date November 21, 2024

Print Name: JOSELYNN BURNETT, Treasurer

By Edmund J. Gluski Date November 21, 2024

Print Name: EDMUND J. GLUSKI, Trustee

By Michael Menefield Date November 21, 2024

Print Name: Michael Menefield, Trustee