

**RESOLUTION OF THE BOARD OF DIRECTORS  
HARBORVIEW HOMES ASSOCIATION**

**(Procedures Relative to Assessments and Collection of Delinquent Payments)**

WHEREAS, Article 10, of the Amendment to the Declaration of Harborview creates an assessment obligation for the owners of homes in the Harborview 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, Article 10 of the Amendment to 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 by the due date of January 30th.
3. **INTEREST**: A delinquent account which is not paid by the 30<sup>th</sup> day of January shall bear interest at the rate of eight percent (8%) per annum. 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 that interest has begun to accrue on the unpaid balance at eight percent (8%) per annum. 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. 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, the County Recording Fees 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 amenities
- 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. Fines late fees, or accrued interest, as applicable.
- b. Special assessments.
- c. Annual assessments.
- d. Court costs, attorney fees, and other costs of collection.

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 immediately upon its adoption. This policy replaces and supersedes all prior policies and procedures for delinquent payments.

Adopted by the Board of Directors this 24<sup>th</sup> day of October, 2018.

Signature: [Signature]

Signature: [Signature]

Printed Name: Scott Foster  
President – Board of Directors

Printed Name: Ric Miller  
Secretary -Board of Directors