

BOD/40/RTH

**RALEIGHWOOD TOWNHOUSE CONDOMINIUMS HOMEOWNER'S  
ASSOCIATION**

COMMUNITY MANAGEMENT, INC.

**Resolution of Board of Directors**

JUL 24 2001

Collection and Enforcement of Assessments

FILE

Article 13 of the Declaration of Raleighwood Townhouse Condominiums provides for imposition of assessments against each unit owner. Articles 13, 14, 19, 20, and 21 of the Declaration and Sections 9, 10, 11, 12, 13, 14, 15 and 23 of the Bylaws provide for enforcement of the payment of assessment and other charges owed by unit owners to the Association.

From time to time unit owners have become delinquent in their payments of assessments and other charges owing to the Association and failed to respond to demands from the Board to bring their accounts current.

The Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner and further believes it to be in the best interest of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue.

Accordingly, the Board has adopted the following resolutions to establish policies and procedures for collection and enforcement of assessments and other charges owing to the Association:

**RESOLVED**, the Association's Manager is authorized to contact the Association's attorneys to pursue all collections and request advice for the Board and the Association in other matters which may, from time to time, be requested by the Board; and

**FURTHER RESOLVED**, the Manager, acting on behalf of the Association, shall be authorized to pay the Association's attorneys their usual and customary charges for time incurred in connection with their representation of the Association, together with all costs incurred by the attorneys, including, but not limited to, service of process, photocopies, postage, long-distance telephone charges, facsimile transmissions, investigator's services, and title reports, promptly upon receipt of the monthly invoice; and

**FURTHER RESOLVED**, effective June 1, 2001, any assessment not received by the tenth (10<sup>th</sup>) day of the month shall be subject to a late fee

in the amount of \$50.00, which the Manager is authorized and directed to charge to and collect from any delinquent unit owner; and

**FURTHER RESOLVED**, the Manager is directed to send to any unit owner who is more than thirty (30) days delinquent in the payment of regular or special assessments, or other charges (hereinafter referred to as "**Assessment**") authorized by the governing documents of Raleighwood Townhouse Condominium, a written notice of the delinquent balance and a request for immediate payment; and

**FURTHER RESOLVED**, the Manager is directed to forward any account which is ninety (90) days or more delinquent to the Association's attorneys for appropriate collection action. The Association's attorney will be requested to send appropriate collection letters demanding payment from the unit owner and stating the Association's intent to file a lien against the delinquent owner's unit. Thereafter, if payment is not received, the attorney will be requested to file a lien, suit for collection and/or foreclosure of the lien; and

**FURTHER RESOLVED**, the Manager is directed to consult with the Association's attorney and immediately forward for collection any account where the owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the unit; and

**FURTHER RESOLVED**, the following policies shall apply to all delinquent accounts forwarded to the Association's attorney for collection:

1. All contracts and contacts with a delinquent unit owner shall be handled through the Association's attorneys. Neither the Manager nor any Association officer or director shall discuss the collection of an account directly with a unit owner after it has been forwarded to the Association's attorneys unless one of the Association's attorneys is present or has consented to the contract or contact.
2. All sums paid on a delinquent account shall be remitted to the Association in care of the Association's attorneys until the account has been brought current.
3. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit owner and shall be collectable as an assessment as provided in the Association's governing documents.

4. To the extent the Association's attorney, in the attorney's discretion, considers it to be appropriate in the circumstance, the attorney is authorized to enter into an installment payment plan for providing for a down payment of not less than the greater of one-third (1/3) of the delinquent balance or twice the current monthly assessment. A payment plan, which provides for a duration in excess of twelve (12) months, shall require the approval of the Board chairman.
  
5. If at the expiration of the period specified in the Association's attorney's demand letter, an account remains delinquent and without a payment plan embodied in a signed agreement, or in the event of a default under terms of the agreement, the Association's attorney is authorized to take such further action as the attorney, in consultation with the Board chairman or Manager, believes to be in the best interest of the Association, including, but not limited to:
  - (a) Filing suit against the delinquent unit owner for money due;
  - (b) Filing a proof of claim in bankruptcy;
  - (c) Instituting a judicial action for foreclosure of the Association's lien;
  - (d) Filing a lien against the delinquent owner's unit;
  - (e) After a judgment is obtained, garnish rent, bank accounts or paychecks and/or conduct a judgment debtor exam; or
  - (f) Hire an investigator to locate any individual or assets.

**FURTHER RESOLVED**, a copy of this resolution shall be sent to all unit owners at their last known address.

This resolution was adopted by the Board of Directors at a meeting duly held \_\_\_\_\_  
MARCH 22, 2001.

Mark P. Catamura  
President

ATTEST:  
Patricia A. Landry  
Secretary