

**FAIRFIELD HOUSE CONDOMINIUM
UNIT OWNERS ASSOCIATION**

Policy Resolution No. 08-____
(Policy and Procedures Concerning the Collection of Charges, Fees and Assessments)

WHEREAS, Article III, Section 2 of the Bylaws grants to the Board of Directors all powers and duties necessary for the administration of the affairs of the Unit Owners Association, including the adoption of rules and regulations; and

WHEREAS, Article III, Section 2(b) of the Bylaws authorizes the Board to make assessments and establish the methods and means of collecting such assessments; and

WHEREAS, Article VI, Section 2 of the Bylaws empowers the Board of Directors to establish the amount of such assessment against each Unit; and

WHEREAS, Article VI., Section 2 of the Bylaws also specifies the remedies the Association may seek in the collection of assessments, including, without limitation, the right to accelerate assessments, and the right to recover attorney's fees and costs; and

WHEREAS, Article VI, Section 3 of the Bylaws obligates owners to pay assessments as established by the Board, and any such assessments not paid by the 15th of the month shall be in default; and

WHEREAS, Article VI, Section 4 of the Bylaws directs that the Board take prompt action to collect any assessment that remains unpaid for 30 days from the due date; and

WHEREAS, Article X, Section 2(d) authorizes the Board to impose a late fee of \$10.00 or any other amount determined by the Board on any assessment or installment thereof not paid within 15 days of the due date; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of said assessments and the Board believes that it is in the best interests of the Association to adopt a policy establishing a uniform set of procedures for the collection of assessments and delinquent accounts.

NOW THEREFORE, the Board of Directors duly adopts the following assessment procedures which supersede and replace all prior resolutions and policies regarding the collection and enforcement of assessments.

I. Regular & Special Assessments. The Annual Assessment shall be payable in monthly installments due on the first of each month (hereinafter, the "due date"), on the condition that the Unit Owner's assessment account is current. All other assessments (i.e., Special Assessments) shall be due as determined by the Board of Directors or as directed in the Association documents.

II. Notice. Non-resident Owners shall be responsible for notifying the Association's management company, in writing, of any alternate address they want the Association to use for notices (including email addresses, if any). Otherwise, management and the Board shall

consider the unit address to be the Owner's address of record. Non-receipt of any notice shall not excuse the Owner from his or her obligation to ensure timely payment of any assessment or installment thereof, nor shall it relieve him or her from any penalty assessed to the account due to non-receipt of notice. All Owners are under a legal duty to ensure that assessments are paid on time and to seek out information about the annual assessment if they do not receive the Association's notice.

A. Late Notice. Management shall send a "Late Notice" to Owners who have not paid assessments in full within fifteen (15) days after the due date. The Late Notice shall advise the Owner of the current balance due.

B. Demand Letter. For any assessment installment that remains unpaid for forty-five days (45), management shall send a "Demand Letter" via certified mail. The cost of the letter, \$25.00 shall be added to the Owner's account. The Late Notice shall advise the Owner that the following actions will be taken if the account is not brought current within fifteen (15) days: (i) the entire annual assessment will become due; (ii) the account will be referred to the Association's legal counsel for collection; (iii) the Owner will be held liable for the legal fees and costs incurred in collection of the account, and (iv) any automatic debit payment plan with the Association shall be terminated at the time an account is sent to legal counsel.

III. Late Fees. Any assessment, or installment thereof, not paid within the fifteenth (15th) day after the Due Date shall accrue a late charge in the amount of \$25.00.

IV. Referral to Counsel. If an owner's account remains delinquent after the sixtieth (60th) day after the due date, the Association shall send the account to legal counsel for collection. When an account is referred to counsel, the remaining installments shall be automatically accelerated for the remainder of the fiscal year and counsel will issue a demand which notifies the Owner of the full assessment.

If an account has been referred to counsel for collection and it is still delinquent when a new fiscal year begins, counsel shall automatically accelerate the assessment installments for the remainder of that fiscal year.

V. Legal Action. Counsel shall be authorized to record liens and file suits on behalf of the Association in order to collect the unpaid assessments. The Board may also authorize counsel to foreclose on any of the liens recorded against an Owner's unit.

VI. Suspension of Rights and Privileges. If any assessment or installment thereof remains more than 60 days past due, the Board shall suspend any and all of the Owner's rights and privileges.

VII. Returned Checks. If a check is not honored, and is returned due to insufficient funds in the Owner's account, the payment shall be deemed late and a late fee shall be added. In addition, the Association shall also add a charge of \$40.00 to the account, consisting of the charge imposed by the Association's bank and the administrative charge of \$30.00 imposed by the Association's managing agent.

If an owner has two (2) or more checks returned for insufficient funds during any twelve (12) month period, the Association may require that all future payments be remitted by money orders or cashier's checks.

VIII. Costs and Attorney's Fees.

A. Costs. Pursuant to Article VI, Section 2 of the Bylaws, "Costs" shall be defined to include any expense incurred by the Association in the collection of an Owner's account. Such costs shall include, but are not limited to, administrative expenses charged to the Association by the managing agent, court costs and expenses incurred by counsel, and any other expenses incurred by other parties as part of the collections process.

B. Attorney's Fees. As provided by Article VI, Section 2 of the Bylaws, the Association shall claim all legal fees incurred in the collection of an Owner's account unless or until a specified amount of legal fees is awarded to the Association by a court of competent jurisdiction. The Association's claim for attorney's fees shall include, but is not limited to, formal requests for payment, the preparation and filing of lawsuits and/or liens and all other necessary and related actions until the account is paid in full.

IX. Application of Payments. Once an account has been referred to counsel for collection, payments received will be credited to the Unit Owner's account in the following priority:

- a. Charges for attorneys' fees and costs;
- b. Late fees;
- c. All other charges incurred by the Association as a result of any violation of the Declaration, By-Laws, Rules and Regulations or Resolutions, by an Owner, his family, employees, agents or licensees;
- d. All costs of collection and interest;
- e. All interest accrued;
- f. The assessment(s) due for each Unit, including any special assessments.

This policy was approved on this 4 day of March, 2014, 2008.

FAIRFIELD HOUSE CONDOMINIUM
UNIT OWNERS ASSOCIATION

By: _____

Avi Saghal, President

FOR ASSOCIATION RECORDS

I hereby certify that a copy of the foregoing Policy Resolution was mailed or hand-delivered to the members of the Fairfield House Condominium Unit Owners Association on this _____ day of _____, 2008.

BJ Myers, Portfolio Manager
Community Management Corporation