

ARBOR VILLAGE HOMEOWNERS ASSOCIATION

Resolution of the Board of Directors

WHEREAS, “assessments” as used in this Resolution, include all amounts validly assessed against a Lot Owner (“Owner”) pursuant to the *Declaration of Protective Covenants, Conditions and Restrictions, Establishment of a Homeowners Association, Declaration of Initial Fees – Banks Estates* (hereinafter “Declaration”); *Addendum to Banks Estates* (hereinafter “Addendum”); *Arbor Village No. 2 Amendment to Declaration of: “Arbor Village” (Banks Estates)* (hereinafter “Amendment”); *Bylaws of Arbor Village Homeowners Association* (hereinafter “Bylaws”), Rules and Regulations, and any Board of Director Resolution, including, but not limited to common expenses, interest, fees, fines, attorney fees and all collection costs.

WHEREAS, the Declaration, Addendum, Amendment, Bylaws, and Rules and Regulations are binding upon the Owners;

WHEREAS, the Declaration, at page 18, and Article X of the Bylaws authorizes the Board to enforce provisions of the Declaration, Addendum, Amendment, Bylaws and Rules and Regulations, including action to collect unpaid assessments;

WHEREAS, the Declaration, at page 5; the Addendum, at page 7; and Article X of the Bylaws provide that all assessments, together with interest, attorney fees and costs of collection shall be a continuing lien upon the Lot against which each such assessment is made;

WHEREAS, the Declaration, at page 18; and the Addendum, at page 22; the Article X of the Bylaws authorize the Board, on behalf of the Association, to bring an action to foreclose the lien against the Lot or to bring an action to obtain a money judgment against an Owner for damages and/or for unpaid assessments;

WHEREAS, the Declaration, at page 5; the Addendum, at page 7; and Article X of the Bylaws provide that Owners shall be obligated to pay fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments;

WHEREAS, from time to time Owners become delinquent in the payments of their assessments and fail to respond to the demands from the Board to bring their accounts current, and it is imperative assessment payments are timely received;

WHEREAS, the Board deems it in the Association’s best interest to adopt a uniform and systemic procedure for the collection of unpaid assessments in a timely manner, and further believes it to be in the Association’s best interest to refer these accounts promptly to an attorney for collection so as to minimize the Association’s loss of assessment revenue.

NOW, BE IT FURTHER RESOLVED, that the following steps be adopted to provide for the uniform and systematic procedure for the collection of unpaid assessments:

1. If any assessment remains unpaid by an Owner for more than thirty (30) days from the due date for its payment, the Board or its agent shall send a notice to the Owner indicating the amount due, including notice of late fees and interest; and shall demand payment thereof. See Exhibit "A" attached hereto.

2. If any assessment remains unpaid by an Owner for 60 days from the due date for its payment, the Board or its agent shall send a written demand for immediate payment, indicating that if the account is not paid in full within fifteen (15) days, further collection action will be instituted, including the filing of a lien. The demand for payment shall include all collection costs to date.

3. If any assessment remains unpaid by an Owner for more than seventy-five (75) days from the due date for its payment, the Board or its agent shall prepare and record a lien against the Owner's Lot. The Board, or its agent, shall mail or otherwise notify the Owner within twenty (20) days of recording that the lien has been recorded. The Board, or its agent, may notify any first mortgage or first trust deed holder of the default, if applicable. The lien shall include all collection costs to date, including the cost of preparing and recording the lien, and for notice of the lien required by law.

4. If any assessment remains unpaid by the Owner for more than ninety (90) days from the due date for its payment, the Board shall turn over collection to the Association's attorney ("Attorney"), who shall proceed as provided herein.

5. Attorney shall send a written demand for payment and any notice as required by the federal Fair Debt Collection Practices Act, if applicable. The letter shall indicate that if the balance is not paid in full or payment arrangements satisfactory to the Association are not made, further collection action will be instituted and that pursuant to the Declaration the Association is entitled to recover from the Owner its attorney fees and costs incurred in connection with the collection of the assessments. The demand for payment shall include all collection costs to date.

6. If any assessment remains unpaid by the Owner thirty (30) days after the date of Attorney's demand letter, Attorney shall send Owner a ten (10) day demand letter for payment or the Association will file a lawsuit to either obtain a money judgment and/or foreclose on the lien. The demand shall include the updated amount owing, including all collection costs to date.

7. If any assessment remains unpaid by the Owner ten (10) days after the notice of the Association's intent to file suit, Attorney shall file suit for a money judgment, unless the Board, after recommendation by Attorney, determines that lien foreclosure is advisable under the circumstances. In such cases, the attorney may file suit for a money judgment, for foreclosure, or for both money and judgment and foreclosure, as permitted by applicable law.

8. If the Association is successful in obtaining a money judgment, Attorney shall collect on the judgment in this order, unless the Attorney determines other actions or another order of collection is appropriate under the circumstances: (1) file and send a ten (10) day demand to pay judgment; (2) garnish accounts, wages and/or rents; (3) levy against any personal and real property; and (4) levy against the Lot. Additional steps

may be necessary to determine the availability and location of the judgment debtor's assets. If the Association is successful in a lawsuit to foreclose on the lien, Attorney shall proceed as necessary to complete the foreclosure unless otherwise directed by the Board.

NOW, BE IT FURTHER RESOLVED, that all legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent Owner and shall be collected as an assessment as provided in the Declaration and any applicable addendums and amendments thereto.

NOW, BE IT FURTHER RESOLVED, that all contacts and/or contracts with the delinquent Owner shall be through Attorney. Neither the Board nor any of its agents shall discuss the collection of the account directly with the Owner after it has been turned over to the Attorney, unless one of the Attorneys are present or has consented to the contact and/or contract.

NOW, BE IT FURTHER RESOLVED, that Attorney shall have the discretion to enter into an installment payment plan with a delinquent Owner in appropriate circumstances. In all cases, any such plan must be secured by a Stipulated Judgment, unless otherwise approved by the Board president. Any payment plan providing for a down payment of less than the greater of one-third (1/3) of the delinquent balance or twice the current monthly assessment, or a duration in excess of twelve (12) months shall require approval of the Board president.

NOW, BE IT FURTHER RESOLVED, that Attorney, in its initial demand notice, shall communicate to Owner that the account has been turned over to it for collection, and that all payments are to be made to Attorney until the account has been brought current. Attorney shall deposit all payments in its trust account. All amounts collected shall be disbursed by the Attorney according to the provisions of the Association and Attorney representation agreement.

NOW, BE IT FURTHER RESOLVED, that nothing in this Resolution precludes the Board from taking further action in the collection of unpaid assessments permitted by the Association's governing documents or applicable law, including, but not limited to, adopting or enforcing rules regarding the termination of utility services paid for out of assessments of the association and access to and use of recreational and service facilities available to owners and, after giving notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.

NOW, BE IT FURTHER RESOLVED, that the Board is directed to consult with Attorney and turn over for collection immediately any outstanding account where the Owner files or is the subject of a petition for relief on bankruptcy or a lender has commenced any action for foreclosure of its lien against the Lot.

NOW, BE IT FURTHER RESOLVED, that a copy of this resolution shall be sent to all Owners at their last known address.

ATTEST:

Chairman (President) Board of Directors
Arbor Village Homeowners Association

Secretary

Date: _____