

KENWOOD TOWNS

* late letters sent after \$300.⁰⁰
balance

KENWOOD HOMEOWNERS ASSOCIATION, INC.

POLICY RESOLUTION 03- 1

(Policies and Procedures Relative to Collection
of Routine and Delinquent Assessments)

WHEREAS, Article V, Section 1 of the Association's Declaration of Covenants, Conditions and Restrictions ("Declaration") requires each lot owner to pay assessments as are established by the Board of Directors; and

WHEREAS, Article V, Section 10 of the Declaration empowers the Board with certain remedies in the event that a lot owner fails to pay assessments; and

WHEREAS, the Board believes that it is in the best interest of the Association to establish and clarify the policy that it will administer and enforce in connection with the establishment and collection of assessments;

NOW THEREFORE, BE IT RESOLVED THAT the Board does hereby adopt the following policies and procedures governing the collection of assessments:

1. Budget Adoption/Notice: The Board of Directors shall establish the annual assessment at the time it approves the Operating Budget for the fiscal year. The Association will notify the members of the annual assessment by first class mail, mailed to the address appearing in the records of the Association. Non-resident members shall be responsible for notifying, in writing, the Board or its duly authorized agent of any alternate address they want the Association to use for notices from the Association.
2. Due Dates: Members may pay the annual assessment in four (4) equal quarterly installments, due on the first day of January, April, July, and October. The Board may, prior to the beginning of any annual assessment period, change the installment payments to an annual, semi-annual or monthly payments. Non-receipt of any bill shall in no way relieve a member of the obligation to pay the amount due by the due date.
3. Late Payments: Any assessment not paid within thirty (30) days of the due date will be considered delinquent. The Board, or its authorized agent, shall thereafter charge a late fee of \$25.00 per month until all monies owed are paid in full. The Board, or its authorized agent, will then send a reminder notice to the member. Once the amount owed by a member is \$300.00 or greater (including assessments, late fees and penalty fees imposed for other reasons), the Association may send a late notice to the member and will add the cost of postage to the account balance. This late notice may include a statement that:

- Unless payment in full is received by the date set forth in the letter, the member's account will be accelerated and all installments for the remainder of the fiscal year will be due; and
 - The account will be referred to the Association's legal counsel, at which time additional charges will be added to the account (the Board may, in its discretion, authorize legal action in other circumstances where the facts warrant such action (e.g., repeat debtors).
 - The member's voting privileges may be suspended.
4. Acceleration: If a quarterly assessment installment remains unpaid for thirty (30) days, the Board may accelerate the account through the end of the Association's fiscal year and the remainder of the annual assessment will then be due and owing.
5. Legal Action: Counsel for the Association shall be authorized to use all legal means available to recover the outstanding assessments, including, but not limited to, the following:
- Filing liens against the delinquent member's lot which will prevent the member from selling or refinancing without satisfying the lien;
 - Filing civil lawsuits against the owners to collect all delinquent sums and garnishing wages, bank accounts and personal property of delinquent members to satisfy any judgments against such members;
 - Foreclosure of the lien recorded against a delinquent member's lot (if approved by the Board);
 - Counsel for the Association shall add all legal fees and court costs to the account of the delinquent member and seek to recover any such amount from the member.
6. Return Check Charge: If a member submits a check to the Association, which is returned by his or her bank for insufficient funds, the Association shall add a \$25.00 charge to the account. At its discretion, the Board or its authorized agent may require that all future payments be in cash or its equivalent.
7. Application of Payments: For bookkeeping purposes, the Association shall apply payments received from delinquent members in the following order:
- a. Any legal fees or costs of collection;
 - b. Late charges and interest;

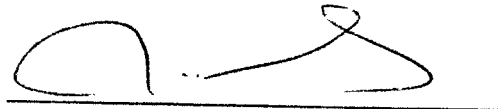
- c. All other incidental charges or fees for collection incurred by Association;
 - d. Any and all special assessments, including but not limited to, assessments for violations of the Association's covenants; and
 - e. The annual assessments.
8. Suspension of Membership Rights: If a member's account becomes more than sixty (60) days past due, the Association may suspend all of the member's rights and privileges, including, but not limited to, the right to vote and the right to serve on the Board or any committee. The suspension shall remain in effect until the member pays all amounts due, including accelerated assessments, legal fees and costs of collection. If any member wants to contest a suspension or explain any matter relative to an account, he/she may request a hearing with the Board of Directors in writing.
9. Failure to Act Shall Not Constitute Waiver: Any failure to proceed pursuant to this resolution shall not constitute a waiver of any right or remedy included in this resolution, or recognized at law or at equity.

The effective date of this amended Resolution shall be 1 November, 2003. The rules and regulations set forth in this policy resolution supercede and replace all rules and regulations set forth in any prior assessment collection policy.

I hereby certify that the Board of Directors adopted this Policy Resolution on 1 October, 2003

KENWOOD HOMEOWNERS ASSOCIATION, INC.

By:

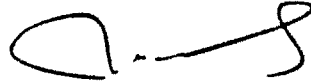


James Hales, President

CERTIFICATE OF MAILING OR DELIVERY

I certify that this Policy Resolution was mailed and/or hand-delivered to the addresses of record of all Owners on this 29th day of October, 2003.

Date




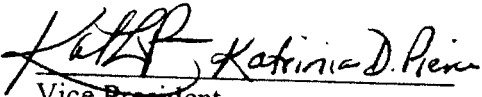
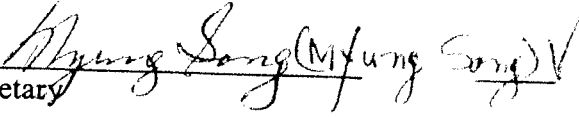
JAMES A. HALES, ~~Secretary~~ President

RESOLUTION ACTION RECORD

Duly adopted at a meeting of the Board of Directors of the Kenwood Homeowners

Association held on 1 OCTOBER, 2003.

Motion by: J. A. HALES Seconded by: KATRINA PIERCE

OFFICER:	VOTE:			
	YES	NO	ABSTAIN	ABSENT
 <u>JAMES A. HALES</u> President	✓	_____	_____	_____
 <u>KATRINA D. PIERCE</u> Vice President	✓	_____	_____	_____
 <u>Myung Song (Myung Song)</u> Secretary	✓	_____	_____	_____
_____	_____	_____	_____	_____
Treasurer	_____	_____	_____	_____
_____	_____	_____	_____	_____
Director	_____	_____	_____	_____
_____	_____	_____	_____	_____
Director	_____	_____	_____	_____
_____	_____	_____	_____	_____
Director	_____	_____	_____	_____

Resolution effective: 1 NOVEMBER, 2003.