

Collection Resolution (“Resolution”)
For Devonshire Downs Homeowner’s Association

Adopted on 08-11-2022

I. BASIS FOR THE RESOLUTION:

A uniform and systematic procedure for the collection of unpaid assessments and charges in a timely manner is in the best interests of all Owners of the Association, and the Association is best served by establishing a relationship with a collections Attorney to minimize the Association’s loss of assessment revenue and provide for consistent enforcement.

II. DEFINED TERMS

- A. **“Assessments”** as used in this Resolution, include all amounts validly assessed against a Lot or Unit pursuant to the Governing Documents and state law.
- B. **“Association”** shall mean Devonshire Downs Homeowner’s Association, a non-profit corporation organized under the laws of the state.
- C. **“Attorney”** shall mean the lawyer or law firm representing the Association, which is presently Smith Knowles, P.C.
- D. **“Board”** shall mean the Board of Directors or Management Committee of the Association.
- E. **“Declaration”** shall mean the Declaration of Covenants, Conditions and Restrictions of Devonshire Downs Planned Unit Development.
- F. **“Governing Documents”** shall mean the Declaration, bylaws, rules, regulations, adopted resolutions and similarly adopted procedures of the Association.
- G. **“Owner”** shall mean the owner(s) of a Lot or Unit in the Association.
- H. **“Property”** shall mean the individually-owned Lot or Unit subject to the Governing Documents.

III. LEGAL AUTHORITY

- A. **Enforcement.** The Association is authorized by the Governing Documents and/or state law to adopt resolutions.
- B. **Collection.** Pursuant to Governing Documents and/or state law, the Association can levy and collect Assessments against the Property.
- C. **Penalties.** Pursuant to the Governing Documents and/or state law, the Association can assess interest and charges for late payments.
- D. **Claim of Lien.** Pursuant to the Governing Documents and/or state law, all Assessments, together with interest, late charges, attorney fees and costs of collection shall be a continuing lien upon the Property. The Association may cause or have caused a Claim of Lien to be recorded against the Property to recover Assessments due and owing.
- E. **Foreclosure.** Pursuant to the Governing Documents and/or state law, the Association may elect to initiate a foreclosure proceeding against a Property to recover delinquent Assessments. The preferred enforcement mechanism may vary depending on the individual situation of each delinquent Owner and the Association. By

virtue of the adoption of this Collection Resolution, the Association authorizes the Attorney to undertake any and all lawful collection efforts, as deemed necessary by the Attorney, to recover the Assessments.

- F. Court.** Pursuant to the Governing Documents and/or state law, the Association may elect to initiate a legal action in small claims or district court to recover delinquent Assessments. The preferred enforcement mechanism may vary depending on the individual situation of each delinquent Owner and the Association. By virtue of the adoption of this Collection Resolution, the Association authorizes the Attorney to undertake any and all lawful collection efforts, as deemed necessary by the Attorney, to recover the Assessments
- G. Attorney Fees & Costs.** Pursuant to the Governing Documents and/or state law, a delinquent Owner shall be obligated to pay reasonable fees and costs, including attorney fees, incurred in collecting delinquent Assessments, regardless of whether further legal action is initiated.

IV. ASSESSMENTS AND PENALTIES

- A. Due Date.** Assessments shall be due and payable on the first day of each month, unless otherwise established by the Board.
- B. Interest.** Delinquent Assessments shall accrue interest at the rate of 12% per annum, starting on the due date.
- C. Management Contract.** The Association may enter contracts with professional management, which may include certain fees for services related to collection of delinquent Assessments.

V. COLLECTION PROCESS

- A. Late Payment Notice.** If an Assessment remains unpaid by an Owner for thirty (30) days or more from its due date, the Board (or its manager) shall provide written notice to the Owner.
- B. Additional Notices.** If an Assessment remains unpaid, subject to any minimum balance and/or delinquency period requirements, the Association may provide additional notices to Owner regarding additional collection actions or refer to Attorney.
- C. Turnover.** The Association may refer the matter to Attorney for collection. Following turnover, all communications, and payments with the delinquent Owner (or their legal representative) regarding the amount owed shall be directed to the Attorney.
- D. Attorney Collection.** If not already in place, the Attorney will record a Claim of Lien against the Property and provide written demand for payment.
- E. Further Notices.** If any assessment remains unpaid by the Owner thirty (30) days after the date of Attorney's initial demand, Attorney may send additional notices.
- F. Further Legal Action.** If any Assessment remains unpaid following these efforts, the Attorney may pursue further lawful collection efforts. By virtue of the adoption of this Collection Resolution, the Association authorizes the Attorney to undertake

any and all lawful collection efforts, as deemed necessary by the Attorney, to recover the Assessments. The Attorney may communicate with the Manager and/or Board with regard to the course of action for the collection efforts as individual circumstances may warrant.

- G. Post-Judgment Collection.** If the Association may pursue all lawful post judgment collection activities.
- H. Attorney Fees & Costs Assessed.** All legal fees and costs incurred in the collection of Assessments are hereby assessed against the delinquent Owner and Property.
- I. Payment Plans & Attorney Communications.** The Association may enter into service agreements with Attorney setting forth the parameters of payment plans, uncollectable debt, collection referral requirements, attorney communications, and other details to promote an effective relationship.
- J. Additional Remedies.** Nothing in this Collection Resolution precludes the Board from taking further action in the collection of unpaid Assessments permitted by the Association's Governing Documents and/or applicable law.

BE IT FURTHER RESOLVED, a copy of this Collection Resolution shall be provided and/or kept as required by the Governing Documents and/or state law. To the extent allowed by law, this Collection Resolution shall in all respects govern and control over previously adopted policies, rules, resolutions, or provisions concerning the subject matter contained herein.

I hereby certify that this Collection Resolution was adopted in accordance with the Governing Documents and/or state law.

The individual signing for the Association makes the following representations: (i) they have read the Collection Resolution, (ii) they have authority to act for the Association, and (iii) they are executing the Collection Resolution acting in said capacity.

ADOPTED on this 11 day of August, 2022.

By: Bryce Heer
Authorized Representative

Bryce Heer, President
Printed name and position/title