

RESOLUTION OF THE REINHARDT ESTATES HOMES ASSOCIATION

Procedures Relating to Delinquent Assessments

WHEREAS, The Reinhardt Estates Homes Association Declaration creates an assessment obligation for the owners of lots in The Reinhardt Estates subdivision (hereinafter the "Association"), which is a continuing lien on the lot and a personal obligation of each owner; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of said assessments because the Association's well-being relies on the timely payment of assessments and other allowable charges; and

WHEREAS, the Board of Directors desires to establish these procedures in conformity with the Declaration, the Bylaws, and as otherwise provided by law.

NOW, THEREFORE, LET IT BE RESOLVED THAT the Board of Directors, on behalf of the Association, adopts the following assessment and collection procedures:

1. **ASSESSMENTS**: Each owner's annual assessment is due on the first day of each January. Notices, documents and all correspondence relating to assessments shall be mailed to the owner's address which appears on the books of the Association. It is each owner's responsibility to inform the Association of any address change.

2. **DELINQUENCY**: An owner's account is delinquent if an assessment is not paid in full by February 1.

3. **LATE FEES, INSUFFICIENT FUNDS FEES AND INTEREST**: A delinquent account will be assessed a late fee of \$25 each month that the account remains delinquent, not to exceed the total annual dues for that year. A delinquent account shall bear interest on the unpaid assessment from the due date, until paid, at the rate of 15 percent per annum. In addition, a \$50 returned check charge and any related bank charges will be assessed against the account of the Lot owner responsible for payment if the payment is returned for insufficient funds.

4. **LATE NOTICES**: If full payment of an assessment is not received by January 1, the Association will send a delinquency notice to the owner by first class mail requesting immediate payment, advising the owner that the late fee and interest will begin to accrue on the unpaid balance starting February 1.

5. **LEGAL ACTION AND COSTS OF COLLECTION**: If an account remains delinquent more than 90 days, the Association may retain an attorney to proceed with further legal action, including, but not limited to, filing a lawsuit or foreclosing on the owner's property,

or both, against the owner in order to collect the owner's past due assessments, late fees, interest, costs of collection and attorney fees. All costs of collection, including attorney fees, shall be assessed against the delinquent owner.

6. **INTENT TO CREATE LIEN:** If an account is delinquent more than 90 days, the Association may cause to be recorded a Notice of Lien against the affected Lot. The Notice of Lien will inform the public of the amount of the outstanding balance, including past due assessments, late fees, interest, costs of collection and reasonable attorney fees. The Notice of Lien will conform with the requirements of all applicable laws. The owner will be assessed the necessary costs for preparing and recording this Notice.

7. **PAYMENTS CREDITED:** Payments received from an owner will be credited to the outstanding balance in the following order:

- a. Court costs, attorney fees and other costs of collection, if any.
- b. Late fees or accrued interest, as applicable.
- c. Annual assessments.

Once an account becomes delinquent, the Association may reject payment from the delinquent owner unless it is made by certified check, cashiers check, or money order.

8. **PARTIAL PAYMENTS:** In the event an owner attempts to make a payment of less than all monies due and owing the Association after collection proceedings have commenced, the Association's attorney or designated collection agent will send a letter by first class mail to the owner advising the owner that his or her account remains delinquent as to all remaining monies owed to the Association. The Association's retention of the partial payment does not constitute a waiver of the Board's authority to foreclose on the owner's property to take action against the owner to collect the outstanding balance.

This Resolution supersedes and replaces all prior delinquency and collection policies.

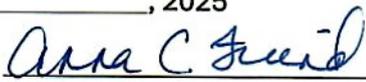
Adopted JANUARY 13, 2025



President – Board of Directors

CARL LANGE

Printed Name



Secretary

Anna C. Friend

Printed Name