

INVERNESS ON PROVIDENCE OWNERS ASSOCIATION, INC.

Policy Resolution Relating Delinquent Assessments

Enacted:

Effective:

WHEREAS, the Board of Directors of the Inverness on Providence Owners Association, Inc. is empowered to exercise all of the powers, duties and authority vested in or delegated to this Association by provisions of the Bylaws, Articles of Incorporation, and the Declaration of Covenants, Conditions and Restrictions.

WHEREAS, Article IX Section 1 of the Declaration of Covenants, Conditions and Restrictions states that the owner is deemed to covenant and agree to pay to the Assessment to the Association.

WHEREAS, Article IX Section 6 of the Declaration of Covenants, Conditions and Restrictions states that the Association may levy, in any calendar year, a Special Assessment applicable to that year only for the purpose of defraying costs of construction of Common Area improvements, reconstruction of the common areas, and any other unanticipated costs.

WHEREAS, Article IX Section 9 of the Declaration of Covenants, Conditions and Restrictions states that the Due dates shall be established by the Board of Directors.

WHEREAS, Article IX Section 11 of the Declaration of Covenants, Conditions and Restrictions states that any assessment not paid by its due date shall bear interest of 10.00% (percent) per annum or \$20 per month from the due date. In addition to the interest charge the owner shall pay late charges established by the Board.

WHEREAS, Article IX Section 1 of the Declaration of Covenants, Conditions and Restrictions states that the Association may bring an action at law against the Delinquent owner or foreclose the lien against the Lot and the right to use the Common Areas, and interest, late payment charges, costs and reasonable attorneys' fees related to such action or foreclosure shall be added to the amount of such Assessment.

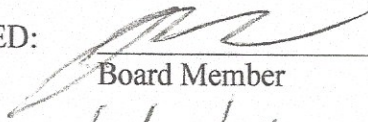
WHEREAS, there is a need for the Board of Directors to give direction regarding the process associated with the legal action of delinquent Assessments, Special Assessments, and Special Individual Assessments and establish the due dates and cost of collection of delinquent Assessments.

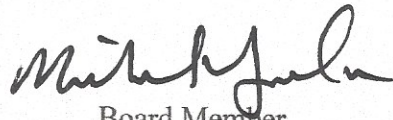
WHEREAS, it is the intent that this policy be applicable to the filing of liens and foreclosing on said liens on Lots within the Association that are delinquent in paying any Assessments of more than 30 days. This resolution will be in effect from the date listed above until it is rescinded, modified or amended by a majority of the Board of Directors.

NOW THEREFORE, BE IT RESOLVED THAT the following policy shall be adopted by the Board of Directors regarding the legal action of any delinquent Assessment.

1. Assessments will be collected from all Lot owners four times per year. The due dates will be the first day of January, first of April, first of July, and first of August
2. When any assessment is delinquent more than 30 days, interest of 10% per annum or a late fee of \$20 will be charged to the owners account. These late fees and interest will continue to be charged on the first day of each month until the delinquent assessment is paid in full.
3. A written late notice will be issued by the Managing Agent to the Owner detailing the amount of the delinquent assessment, late fees and interest.
4. When any assessment is delinquent more than 120 days the Managing Agent may issue a written notice of the Association's intent to place a lien on the Lot for the amount of the unpaid assessment, late fees, interest, and attorney's fees if the total amount due is not paid in full within 30 days from the date of the written notice.
5. When any assessment is delinquent 150 days the Association may have a lien placed on the Lot by the Association's law firm.
6. 30 days after a lien has been placed on any Lot the Association may foreclose on the lien unless the Owner is complying with a written payment plan that has been approved by the Board of Directors. The Board will instruct the managing agent to proceed with this action from time to time.
7. Owners that have fines levied on their account for violations of the Covenants, Conditions and Restrictions, Architectural Guidelines or other rules enacted by the Board shall be treated the same as listed above.

APPROVED:


Board Member
6/19/19 Date


Board Member
6/19/2019 Date

Every homeowner will receive a coupon book at the end of the year for the next year's payments. The amount due, the due date, and the late fee printed on each coupon. Each coupon will also have a pay online and a pay by check option. The location of each will be printed within the coupon book.

If a homeowner is late, the below will occur.

NOTE: This is an example and monetary amounts are not accurate

- 1) January 1st, 1st quarter dues of \$250 are due.
- 2) February 1st, 1st quarter dues are late. \$20 late fee is assessed. Total amount owed \$270.00. A statement is mailed.
- 3) March 1st, dues are not paid. \$20 late fee is assessed. Total amount owed \$290. A statement is mailed.
- 4) April 1st, 2nd quarter dues of \$250 are due. \$20 late fee is assessed. Total amount owed is \$560. A statement is mailed.
- 5) May 1st, 2nd quarter dues are late. \$20 late fee is assessed. Total amount owed is \$580. A statement is mailed. A final notice, giving the homeowner 30 days to pay or the Board may elect to file a lien on the property.
- 6) June 1st, balance of \$580 is not paid. \$20 late fee is assessed. Total amount owed is \$600. A statement is mailed. The Board elects to file a lien on the property. The cost is \$300 to file a lien on the property. The \$300 is added to the homeowner's account. Total amount owed is \$900. The HOA's attorney sends information to the homeowner regarding the lien and how to remove the lien.
- 7) July 1st, balance of \$900 is not paid. \$20 late fee is assessed. 3rd quarter dues are assessed \$250. Total delinquent is \$900. The Board elects to foreclosure on the property and the attorney is instructed of such.

The foreclosure process can take several months. Any and all billings from the HOA's attorney is charged to the homeowner account, this number could be in the thousands. If the HOA foreclosures on the property, the HOA takes possession of the home and the sheriffs are called to escort the homeowner from the property.