

**RECORD OF ACTION OF THE BOARD OF DIRECTORS
OF
VICTOR GARDENS SINGLE FAMILY VILLAGE
HOMEOWNERS ASSOCIATION, INC.
(Assessment Collections Policy)**

Date: November 1st, 2011

WHEREAS, the Board of Directors of Victor Gardens Single Family Village Homeowners Association ("Master Association" or "Master Community") is empowered to govern the affairs of the Homeowners Association pursuant to Section 7.2 of the Victor Gardens Single Family Village Homeowners Association, Declaration of Covenants; and

NOW, THEREFORE, the undersigned, being all of the Directors of Victor Gardens Single Family Village Homeowners Association, record that effective the above date, they hereby adopt the following resolutions:

WHEREAS, the Board of Directors of the Victor Gardens Single Family Village Homeowners Association is charged with the responsibility of collecting assessments for common expenses from homeowners pursuant to Section 7.2 of the Declaration of Covenants for the Association, as amended (the "Declaration"); and

WHEREAS, from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts promptly for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS, the Board is empowered under the terms of the Declaration and the Bylaws of the Association to recover collection expenses from a delinquent Accountholder; and

WHEREAS, the Board has retained professionals experienced in representing homeowners associations in collections and other matters (herein the "Association's Agent"); and

WHEREAS, the Board has directed the Association's Agent to represent the Association on the terms outlined in this resolution;

NOW, THEREFORE, BE IT RESOLVED that the Association's Agent shall pursue all collection and other matters which the Board, acting through the Manager, may from time to time refer to the Association's Agent and to provide any advice and counsel which the Board may from time to time require.

The following definitions shall be applied herein:

(1) "Account" shall mean a consumer account receivable, including but not limited to unpaid dues and/or assessments owed by an Accountholder;

- (2) "Accountholder" shall mean any individual or individuals legally responsible to the homeowners association for repayment of the Balance on an Account;
- (3) "Balance" shall mean the principal debt owed by an Accountholder to the homeowners association, plus charges, interest, and attorney fees as allowed by law, minus the sum of any credits.
- (4) "Manager" shall mean the Community Manager of the Homeowners Association.

BE IT FURTHER RESOLVED that a late fee of \$25.00 will be charged to a Accountholder, and levied against that Accountholder's unit, for each assessment or installment thereof that is not paid in full by the thirtieth day of the month in which it is due and an additional \$25.00 will be assessed at each stage in the collections policy thereafter that the Account remains unpaid or until the Association's Agent refers the overdue Account to a collection agency, whichever period is shorter. Any payment made will be credited against late fees first followed by the oldest assessments. The Association's Agent is authorized to waive such late fee at Association's Agent's sole discretion if it determines that making such an offer would be the most efficient way to collect the Account; and

BE IT FURTHER RESOLVED that the Manager is directed to send to all Accountholders who are more than thirty (30) days delinquent in the payment of regular assessments (an account is thirty days delinquent when the Accountholder owes one past due monthly assessment and late fee and one current monthly assessment), special assessments, or other charges authorized by the association's governing documents (the "Assessments") written notice of the collection cost and a request for immediate payment (the "First Notice"); and

BE IT FURTHER RESOLVED that the actions taken by the Manager under this provision are not governed by Fair Debt Collections Practices Act (FDCPA), because all accounts are received by the Manager prior to default, all notices sent by the Manager to any delinquent Accountholder shall comply with all applicable state and federal laws governing the collection of debts received for collection prior to default; and

BE IT FURTHER RESOLVED that the membership rights, other than voting rights, of any Accountholder whose account is thirty (30) days past due may be suspended at any time at the discretion of the Board during the period that any installment, charge or assessment remains unpaid, subject to the terms of the Governing Documents; and

BE IT FURTHER RESOLVED that the First Notice sent by the Manager to the delinquent Accountholder shall state that the Accountholder may submit a written request for special consideration of hardship circumstances setting forth all reasons why the Board should consider the request to the Board before the Assessment becomes sixty (60) days delinquent, together with a request for a hearing, or in the alternative, a request that a determination be made by the Board based on the written request, and if such requests are not submitted within such period, then the right to make such a request shall have been deemed waived; and

BE IT FURTHER RESOLVED that the Association's Agent may, at its sole discretion, place any Account received from the Manager with a collection agency for collection; and

BE IT FURTHER RESOLVED the following actions shall be taken, measured from the date that an Account becomes due, until the overdue Account is paid in full, the Accountholder has declared bankruptcy, or the Association's Agent determines that good cause exists to deviate from this schedule:

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30 days: The Association's Agent shall send the Accountholder a late payment letter and impose a late fee.

60 days: The Association's Agent shall send the Accountholder a second late payment letter and impose a second late fee equal to that imposed previously.

90 days: The Association's Agent shall send the Accountholder a third late payment letter and impose a third late fee equal to that imposed previously.

120 days: The Association's Agent shall forward the Account to a collection agency or attorney for collection. This agency/attorney may notify the Accountholder that the Association may seek to impose a lien on the Accountholder's unit.

150 days: The Association's Agent may file a lien upon the Accountholder's unit and notify the Accountholder of the same.

BE IT FURTHER RESOLVED that the Association's Agent may report any Accounts placed with it for collection or that the Association's Agent places with a collection agency to any consumer credit reporting agency thirty days or more after the Account becomes delinquent; and

BE IT FURTHER RESOLVED that the Manager is directed to consult the Association's Agent and immediately forward for collection any account if the Accountholder files for or is the subject of a petition for relief in bankruptcy or a lender has commenced an action for foreclosure of its lien against the Accountholder's unit; and

BE IT FURTHER RESOLVED that the Association's Agent is directed to take any action that it reasonably believes is legally necessary to secure the interest of the association and the collection of the delinquent funds; and

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent account turned over to the Association's Agent for collection:

1. The fee of the Association's Agent shall be assessed against each delinquent unit and its owner (including repeat offenders) when the account is forwarded to the Agent for collection. All fees and costs incurred in the collection of a delinquent account by the Association's Agent shall be collectable as an assessment as provided in the Governing Documents.
2. The portion of the fee of a collection agency due from the Accountholder shall be assessed against each delinquent unit and its owner (including repeat offenders) when the account is forwarded by the Association's Manager to the collection agency for collection. Said fee shall be collectable as an Assessment as provided in the Governing Documents.
3. If at the expiration of the thirty-day period specified in the Association's Agent's Notice, an Accountholder's account remains delinquent and no payment plan embodied in a signed Stipulation for Judgment or other written agreement between the Association's Agent and the Accountholder has been executed, or in the event of a default under the terms of either

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