

COLLECTION RESOLUTION OF THE BOARD OF DIRECTORS  
OF

BLAIR FARM OWNERS ASSOCIATION, INC.

RESOLUTION 2005-01

WHEREAS, the Board of Directors of the Blair Farm Owners Association, Inc. has a fiduciary responsibility to ensure that the funds owed to the Association are promptly collected in order to ensure and maintain the financial well being of the Association; and

WHEREAS, it is unfair to the vast majority of owners who pay their bills on a timely basis to bear the costs of repeated collection efforts by our Board of Directors; and

WHEREAS, it has been the experience of this Board and our attorneys that most delinquent accounts immediately pay upon receipt of a notice of delinquency, and those who do not typically do not respond to multiple notices of delinquency; and

WHEREAS, by virtues of the collection expenses incurred by our attorneys being assessed against the delinquent owner, the bulk of the cost of curing the problems are born by the ones causing the problems.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors does hereby adopt the following collection procedures:

1. Each new owner and current owner will be sent a letter similar to the letter attached as Exhibit "A" to this Resolution informing the new owner of our collection procedures. This letter will be sent as soon as our Board of Directors receives notice of a transfer in ownership.
2. Annual dues are due on January 1<sup>st</sup> of each year. If any payment due on the 1<sup>st</sup> day of the month it is due is not received in the mail by the Board of Directors by the 10<sup>th</sup> day of the following month, it shall be deemed delinquent.
3. Any delinquent payment shall be assessed a late fee of Twenty (\$ 20.00) Dollars. We also direct the Treasurer to collect bank fees as a result of returned checks and/or any direct collection expenses such as certified mail charges from the offending homeowner.

4. In addition to the late charge, a delinquent payment shall bear interest at twelve (12%) per annum or at the maximum permissible legal rate assessed in monthly increments, until paid.
5. We direct our Board of Directors to send a letter similar to the one attached as Exhibit "B" to this Resolution immediately upon a payment becoming delinquent. Delinquent owners will also be charged with any bank fees the Owners Association incurs as a result of returned checks. However, if an owner is delinquent for a second or subsequent time within 1 year from a prior delinquency, this notice will be omitted and the account will be immediately turned over to our attorneys for collection, per these policies.
6. We direct our Board of Directors that if a delinquent payment is not received by the last day of the month in which the delinquency notice (Exhibit "B"), is sent, the account will be turned over to our attorneys for collection.
7. We ask that our Board of Directors direct our attorneys to send one additional letter reminding the delinquent homeowner of the delinquency and providing a reasonable time for payment to be made. Thereafter, our attorneys may proceed to file a Lien against the lot and/or living unit as provided in Article A, Section 5 of the Declaration of Master Protective Covenants, Restrictions, and Easements.

COLLECTION PROCEDURES LETTER  
EXHIBIT "A"

Date:

Name  
Address  
City, State ZIP

RE: Lot # \_\_\_\_\_

Dear Homeowner:

The Board of Directors of your Owners Association has a fiduciary responsibility to fairly and reasonably collect the funds due the Association in order to ensure its financial well-being. Therefore, they have adopted a collection procedure and have directed that we abide by it.

Regular annual dues are due and payable on the first day of January of each year. We would ask that you mail your payment in such time that it is received in our offices by no later than January 30<sup>th</sup>. If payment has not been received in our offices by the 10<sup>th</sup> of the following month in which he bill is due, it will be deemed delinquent. A late charge in the amount of Twenty Dollars (\$ 20.00) will be assessed and the delinquent amount will bear interest at twelve (12%) percent per annum or the maximum permissible legal rate until paid. You will also be charged direct collection expenses, such as certified mail charges. You will also be charged any bank fees we incur as a result of returned checks.

On any delinquent account, we will send you one (1) reminder letter. That letter will advise you of the late charge and compute the interest due if the payment is made by the end of the month in which the letter is sent. This is the only reminder/notice of delinquency that you will receive from us. If the account is not brought current as stated in the remind/notice of delinquency letter, the account will be turned over to our attorneys for collection. However, if you are delinquent for a second time within one (1) year from a prior delinquency, this letter will be omitted, and the matter immediately turned over to our attorneys for collection in accord with our policies. We remind you that all costs and expenses incurred after that point are your responsibility pursuant to the Declaration and By-Laws. If matters are not resolved quickly, those fees and expenses can become quite significant.

Your Board is not trying to be overly harsh with these procedures. As stated earlier, we have a fiduciary responsibility to collect the funds due the Association. It is patently unfair to the vast majority of owners who pay on a timely basis for the Association to bear the expenses of repeated collection efforts by our firm. That is one of the primary reasons for adopting the procedures that are in place. Therefore, please be sure that we have your current mailing address so that you will receive any notices that are sent.

We welcome you as a new owner and hope that our relationship will be a long and pleasant one. Should you have any questions, please feel free to contact us.

Sincerely yours,

BLAIR FARM OWNERS ASSOCIATION, INC.

Eddie Cameron, President

DELINQUENT COLLECTION LETTER

Exhibit "B"

Date:

Name  
Address  
City, State Zip

RE: Lot # \_\_\_\_\_

Dear \_\_\_\_\_:

A payment due to Blair Farm Owners Association, Inc. that was due and payable on the first (1<sup>st</sup>) day of January, \_\_\_\_\_ was not received in our offices by the last day of that month. Therefore, the payment is now delinquent. Pursuant to our collection procedures, you now owe a total of \$\_\_\_\_\_. This represents the payment in the amount of \$\_\_\_\_\_ plus interest at the maximum permissible legal rate, plus a late charge of Twenty Dollars (\$ 20.00).

If the total amount is received before the end of this month, your account will be returned to a current condition.

If it is not received by the last day of this month, any unpaid balance will continue to accrue interest at the maximum permissible legal rate and the account will be turned over to our attorneys for collection. Should that become necessary, you will be responsible for all attorneys' fees and costs incurred in any additional collection efforts. Therefore, please promptly remit the amount owing and thereby bringing your account into a current condition.

Sincerely yours,

BLAIR FARM OWNERS ASSOCIATION, INC.

Eddie Cameron, President