

BROOKS CHASE HOMEOWNERS ASSOCIATION, INC.

ASSESSMENT COLLECTION PROCEDURE RESOLUTION

The purpose of the Association is to exercise all of the powers of and perform all of the duties and obligations of the Association as described in the Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions and/or Bylaws. Some of these duties may include: the maintenance, repair, and replacement of the Common Areas and the Private Lanes; the determination of Common Expenses; the collection of annual and special assessments; the enforcement of any restrictions or requirements set forth in the Declaration of Covenants, Articles, Bylaws, or the Rules; and the performance of any other obligation and duty of the Association as described in the governing documents, all of which are designed to enhance and protect the value, desirability and attractiveness of the Brooks Chase Community as a whole and for the promotion of the recreation, health, safety and welfare of the residents in the community.

In order to have the financial ability to accomplish these duties, the Association must collect mandatory Assessments, Private Lane Assessments (where applicable) and other charges from the Owners; and

To facilitate a uniform, non-discriminatory and systematic procedure for the collection of mandatory Assessments, Private Lane Assessments and other charges;

BE IT RESOLVED that the Board now adopts the following Assessment Collection Procedure Resolution for the collection of mandatory Assessments, Private Lane Assessments and other charges pursuant to the Board's authority as described in the Declaration, Code of By-Laws and Articles of Incorporation.

ASSESSMENT COLLECTION POLICY & PROCEDURES

January 1st and July 1st

The *semi-annual*, Regular Assessment based on the annual fiscal budget is due and payable ("due date"). In addition, the Private Lane Assessment, which is owed by the Owners of any Lot which abuts a Private Lane, is also due and payable ("due date").

30 Days Unpaid

If a Regular Assessment remains unpaid thirty (30) days after becoming due, a \$35.00 late fee will be added to the account. In addition, if a Private Lane Assessment remains unpaid thirty (30) days after becoming due, a \$10.00 late fee will be added to the account. At this time, a **LATE NOTICE** will be mailed to the delinquent Owner requesting full payment of all assessments, late fees, and other charges owed to the Association. This notice will also advise the Owner the if full payment is not received, the Association has the option to record a lien against their property and/or turn the account over to the Association's attorney for immediate legal action.

90 Days Unpaid

If a Regular Assessment and/or the Private Lane Assessment remains unpaid ninety days (90) days after becoming due, an **INTENT TO LIEN NOTICE** will be mailed to the delinquent owner requesting full payment of the delinquent amount owed be paid immediately or the Association will record a lien against the Owner's property. A fee will be added to the Owner's account for the Intent to Lien Notice, and such fee will become due by the Owner in addition to the delinquent amount owed.

120 Days Unpaid

If a Regular Assessment and/or the Private Lane Assessment remains unpaid one hundred twenty (120) days after becoming due, the Association will record a lien against the Owner's property. A fee will be added to the Owner's account for the lien, and such fee will become due by the Owner in addition to the delinquent amount owed.

150 Days Unpaid

If after a lien is recorded on the Owner's property, the Owner still does not pay the full delinquent amount owed, including any additional fees and/or charges incurred within one hundred fifty (150) days, the Association may choose to turn over the delinquent account to the Association's attorney to begin pursuing collections. If an Owner is turned over to the Association attorney, an administrative fee, if any, will be added to the account, and such fee will become due by the Owner in addition to the delinquent amount owed.

Attorney Collection Letter:

Because the Board believes that it is in the best interest of all owners and the Association to avoid court action if possible, the Board has instructed the Association's Attorney to send a collection letter to each delinquent owner turned over for collection before filing a lawsuit. As part of this policy, each delinquent owner will be responsible for paying any legal fees or collection costs that result from this collection letter being sent. If the owner still does not pay **ALL** assessments, late fees, attorney fees, costs and other charges owed to the Association after being sent this collection letter by the attorney, then the Association's attorney will be instructed to file either a small claims action, file a foreclosure action, or take whatever form of legal action is allowed by the Declaration and Indiana law to recover the delinquent amounts owed to the Association. According to the Declaration, the delinquent owner will be responsible for paying all assessment, late fees, attorney fees, costs and other charges owed the Association as a result of any legal action taken.

Lawsuits, Liens, Foreclosures: If any of these forms of legal action are taken, the delinquent owner will be charged and will be responsible for paying all assessments, late fees, attorney fees, costs and other charges owed to the Association as a result of any legal action taken. The filing of a lien or foreclosure action does not waive the owner's personal liability for any unpaid assessments, late fees or other charges, and does not prohibit the Association from pursuing more than one possible collection option at the same time.

NOTES

- Property listed for Sale** In the event an Owner moves to place their home for sale, the Association, at its sole discretion, may choose to record a Lien on the property without completing the above requirements.
- Special Assessments** If the Association adopts a Special Assessment as provided for in the Declaration, the due dates of the Special Assessment will be set when the Special Assessment is adopted, and the collection procedure for the Special Assessment will be handled like the procedures set forth above unless an alternative collection procedure is adopted by the Board especially for the Special Assessment.
- Administrative Expenses** The Association, whether professionally managed or self- managed, incurs expenses for processing delinquent accounts. The Association is entitled to reimbursement for these expenses. Therefore, whenever a delinquent account is turned over to an attorney for collection, an administrative expense may be added to the homeowner's account. *The administrative expense is set by the Board or the property management company and is subject to change each year without further notice to the homeowners.* The Board will attempt to alert the homeowners if a change is to occur. However, there may be a situation when the homeowner is not alerted. Administrative charges for other services may also be incurred by the Association from time to time regarding the owner's property. If so, those administrative charges will also be added to the owner's account balance.
- Foreclosures** The owner is responsible for reimbursing the Association for all legal fees and costs incurred as the result of a foreclosure action against the owner to collect any delinquencies owed to the Association.

[End of Collection Procedures]

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