

Red Hawk Ranch Owners Association

Resolution of the Board of Directors – Collection Policy

DRAFT

WHEREAS, the Red Hawk Ranch Owners Association Declaration of Covenants, Conditions and Restrictions (“Declaration”), requires owners to pay assessments for the purposes and on the terms set forth in the Declaration;

WHEREAS, the timely receipt of assessments is critical to the proper functioning of the Association and the receipt of such funds is necessary for the Board of Trustees (“Board”) to fulfill its obligations to the community as established in the Declaration;

WHEREAS, Article 6 of the Declaration further provides that the Association may assess a late fee and record a lien against any Lot for delinquent and/or unpaid assessments and that owners are personally obligated to pay assessments;

WHEREAS, from time to time Owners become delinquent in the payment of their assessments.

WHEREAS, the Board deems it in the Association’s best interest to adopt a uniform and systematic policy and procedure for the collection of unpaid assessments.

NOW THEREFORE, BE IT RESOLVED THAT the following is the collection policy for the Red Hawk Ranch Owners Association duly adopted by the Board on the date set forth below:

1. Regular Assessments (commonly referred to as “dues”) are payable quarterly and are deemed delinquent on the 15th day of the second month of the quarter (“Delinquency Date”).
2. The Delinquency Date for any other assessment shall be determined by the Board.
3. The Association may assess Late Fees beginning on the first day after the “Delinquency Date”. Late Fees shall be \$100.00 on the first day of delinquency, plus \$100.00 on the first day of each calendar month thereafter until all delinquent assessments plus Late Fees have been paid. Late Fees shall be cumulative.
4. When an account is thirty (30) days past due, the management company may send a “First Notice of Default” via email to the Owner. The notice shall indicate the amount owed, and make a request for payment as outlined therein.
5. When the account is sixty (60) days past due, the management company may send the Owner a “Second Notice of Default” via email and United States Postal mail. This notice will state that if the account is not paid within thirty (30) days, then the account will be turned over to an attorney for collection. In addition, the management company will try to reach the Owner via telephone at the phone number on record with the Association.

6. When the account is ninety (90) days past due, the management company may send the account to an attorney for collections. The Owner will be liable for payment of all charges imposed by the attorney for their services.
7. Any account sent to an attorney shall have a Notice of Claim of Lien recorded with the County on the property. The Association reserves the right to record its lien at any time concurrently or after sending the First Notice of Default.
8. Should the account remain unpaid after the attorney sends out their 30-day notice, the account may be brought before the Board to decide further action. This action to include but is not limited to commencing a lawsuit or foreclosing its lien.
9. Owners may request special consideration or hardship circumstances on a delinquent account. Such requests must be submitted to the management company via the online portal prior to the account being sent to collections.
10. Once an account has been sent to the attorney, all payments and negotiations are to be made with the attorney.
11. Invoices and notices shall be delivered electronically. It is the responsibility of each Owner to keep a valid email address on file with the association. Failure to receive an invoice does not absolve the Owner from making required payments to the Association.

Duly adopted at a meeting of the Board of Trustees held on May 12, 2021

Motion by: Kent Fuller

Seconded by: Joren Peterson

VOTE: YES: 5 NO: ABSTAIN: ABSENT:

Resolution effective: May 12, 2021