

UNIT OWNERS ASSOCIATION OF
MARKET STREET AT TOWN CENTER CONDOMINIUM

POLICY RESOLUTION NO. 02-16

Procedures Relating to Collection of Assessments

WHEREAS, Article VI, Section 2 of the Bylaws for the Unit Owners Association of Market Street at Town Center Condominium ("Bylaws") creates an assessment obligation for Unit Owners of the Unit Owners Association of Market Street at Town Center Condominium ("Association");

WHEREAS, Article III, Section 2(b) of the Bylaws empowers the Association Board of Directors ("Board") to make and enforce assessments against Unit Owners to defray the Common Expenses of the Association and to establish the means and methods of collecting assessments from Unit Owners;

WHEREAS, Section 55-79.84 of the Condominium Act ("Act") and Article VI, Section 2 of the Bylaws provide that unpaid assessments are to be a continuing lien upon the property on which the assessments are made;

WHEREAS, Article X, Section 1(f) of the Bylaws provides that the Board has the right to accelerate payment of assessments;

WHEREAS, Article X, Section 1(g) of the Bylaws provides that a late charge of not less than ten dollars (\$10) per month or such other amounts as shall be fixed by the Board shall be added to any assessment or installment thereof not paid within fifteen (15) days after the due date thereof;

WHEREAS, Article X, Section 1(a) of the Bylaws provides that a Unit Owner's failure to comply with the condominium instruments shall be grounds for relief which may include, without limitation to, an action to recover any sums due for money damages, injunctive relief, and foreclosure of the lien for payment of all assessments;

WHEREAS, Article X, Section 1(c) of the Bylaws provides that in any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees;

WHEREAS, Article X, Section 1(e) of the Bylaws provides that in the event of a default by any Unit Owner in paying any sum assessed against the Condominium Unit other than for Common Expenses which continues for a period in excess of fifteen days, interest at a rate of up to eighteen percent per annum may be imposed in the discretion of the Board on the principal amount unpaid from the date due until paid;

WHEREAS, Section 55-79.80:2 of the Act and Article X, Section n of the Declaration empowers the Board to suspend the use by a Unit Owner or his or her tenant of any Common Elements when assessments are more than sixty days past due so long as the Unit Owner is given the opportunity to be heard and represented by counsel before the Board;

WHEREAS, there is a need to establish orderly procedures for the billing and collection of assessments and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board by the Act, the condominium instruments, and this Resolution, duly adopts the following assessment collection procedures; and,

NOW, THEREFORE, BE IT RESOLVED THAT this resolution hereby supersedes all previously adopted resolutions relating to assessment collection procedures.

I. Routine Collections

A. The Association will allow annual assessments to be paid in twelve equal monthly installments which will be collected on a monthly basis and shall be due and payable on the first day of the applicable month ("Due Date"). All special assessments, unless otherwise provided for by the Board in a separate resolution, shall be due and payable on the first day of the next month after delivery to the Unit Owner of the written notice of special assessment provided that more than ten days' notice is provided.

B. All documents, correspondence, and notices relating to assessments or charges shall be mailed to the address which appears on the books of the Association or to such other address as is designated in writing by a Unit Owner to the Association.

C. Non-receipt of an invoice shall in no way relieve the Unit Owner of the obligation to pay the amount due by the due date.

II. Remedies for Nonpayment of Assessment

A. Acceleration. If any two (2) consecutive assessments are not paid by the Due Date, the entire balance of assessments due on the account of such Unit for the entire fiscal year shall be due and payable in full.

B. Late Fee. If payment of the total assessments, or of any installment thereof, or charges due, including special assessments and returned check charges, are not received by the Managing Agent by the fifteenth day of the month, the account shall be deemed late and a late fee of \$35.00 shall be added to the amount due and shall be a part of the continuing lien for assessments, as provided for in the Bylaws and the Act, until all sums due and owing shall have been paid in full.

C. Returned Checks. Unit Owners are liable for any checks to the Association returned unpaid due to insufficient funds or any other reasons. The Unit Owner's assessment account shall be deemed past due, and a \$50.00 returned check charge or the maximum amount permitted by law shall be charged to that account, and shall constitute a continuing lien on the unit.

D. Late Notice. A "Late Notice" shall be sent by the Managing Agent to Unit Owners who have not paid assessments or charges, in full, by the fifteenth (15th) day after the due date. The Late Notice shall warn the Unit Owner that the account may be sent to legal counsel for legal proceedings. The Late Notice shall warn that if the overdue assessments become more than sixty days in arrears, the rights of the Unit Owner, his or her residents, tenants, and invitees to use the Common Elements, including but not limited to, the pool, exercise room, community room, business office and any other facilities or services will be suspended. If the Unit Owner requests a hearing regarding the proposed suspension, the Board will hold a hearing, consistent with the provisions of its Policy Resolution Relating to Due Process regarding the suspension of the Unit Owner's rights. The Late Notice shall also specify that the Unit Owner shall have the right to request such a hearing and that such request must be in writing and directed to the Association.

E. Referral to Legal Counsel and Demand by Counsel. If payment in full (including any assessment or charge, interest, and returned check charges) is not received by the Managing Agent by the thirtieth day after the due date, the account shall be referred to legal counsel for the Association. Counsel shall mail a demand letter which notifies the Unit Owner of legal action which may be taken against him or her by the Association to include notice of intent to accelerate installments and file a Memorandum of Lien. The demand letter should be sent to the Unit Owner by certified mail, return receipt requested. The Managing Agent may simultaneously send a copy of such letter to the Mortgagee of such Unit if known.

F. Lien Filing. If payment in full of the amounts due is not received by legal counsel or the Managing Agent within thirty days after the demand letter or notice of legal action has been mailed, the remaining installments of the annual assessment shall be accelerated and a Memorandum of Lien shall be filed against the Unit. Non-receipt or lack of notice shall not prevent the Association from filing a lien within the statutory deadline. Association legal counsel will notify the Unit Owner with a notice of the lien, and the Managing Agent shall notify the Mortgagee, if known. Reasonable attorneys' fees and the costs of collection, including late fees and the costs of filing and releasing the Memorandum of Lien, shall be added to the account, and the delinquent Unit Owner shall be liable for said costs and attorneys' fees.

G. Suspension of Rights and Suit Filing. If payment in full of all amounts due is not received by legal counsel or the Managing Agent by the sixtieth day after the Due Date, the Board may suspend Unit Owner rights, and rights of the Unit Owner's residents, tenants, and invitees to use Association facilities and services. However, no such rights shall be suspended without due process as required by Section 55-79.80:2B of the Condominium Act and the Association due process policy.

H. Other Action of Counsel. If an account remains delinquent after the filing of a lien or civil suit, legal counsel for the Association shall take other appropriate legal action to collect the amounts due, except as provided in paragraph I below and unless directed otherwise by the Board.

I. Suit to Enforce Lien. If a lien remains unpaid, a suit to enforce the lien and foreclose on the Unit may be filed or a non-judicial foreclosure action may be commenced within thirty-six months of the date the lien is recorded (or such other period as may be authorized by the Condominium Act), upon authorization by the Board.

J. Two or More Returned Checks. If the Association receives from any Unit Owner, in any accounting year, two or more checks returned for insufficient funds for payment of assessments or other charges, the Board may require all future payments to be made by certified check, cashier's check, or money order for the remainder of the fiscal year.

K. Assessment of Costs. All costs incurred by the Association as a result of any violation of the Declaration, Bylaws, rules and regulations, or resolutions by a Unit Owner, his or her residents, tenants, and invitees may be assessed against the Unit Owner in accordance with the Bylaws.

L. Board Waiver. The Board may grant a waiver of any provision herein, except filing of Memoranda of Liens beyond the statutory deadline, at its discretion or upon petition, in writing, by a Unit Owner alleging a personal hardship. Such relief granted a Unit Owner shall be appropriate documented in the files with name of the person or persons representing the Board granting the relief and the conditions of the relief.

M. Managing Agent Right to Waive. The Board hereby authorizes the Managing Agent to waive the imposition of late fees on payments received by the Managing Agent after the fifteenth day of the month if, in the judgment of the Managing Agent the delinquent Unit Owner has owned the Unit for less than three months at the time of the delinquency and the Property Manager determines that the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. Further, such a waiver may be granted only once to any delinquent Unit Owner.

N. Crediting of Payments. Payments received from a Unit Owner shall be credited in the following order:

1. Charges for attorneys' fees and court costs;
2. All returned check charges or interest accrued, as applicable;
3. All other charges incurred by the Association as a result of any violation by a Unit Owner or the Unit Owner's residents, tenants, and invitees; and,
4. The annual and special Association assessment, or any installments thereof, and late fees for each Unit, applied first to the oldest amount due.

UNIT OWNERS ASSOCIATION OF
MARKET STREET AT TOWN CENTER CONDOMINIUM

RESOLUTION ACTION RECORD

Resolution Type: Policy

No. 02-16

Pertaining to: Collection of Assessments

Duly adopted at a meeting of the Board of Directors held April 28, 2016

Motion by: Gillian Sescoc Seconded by: Katie Abruzzino

VOTE: YES NO ABSTAIN ABSENT

Elizabeth A. Metcalfe ✓ _____
Director

Gillian Sescoc ✓ _____
Director

Katie Abruzzino ✓ _____
Director

[Signature] ✓ _____
Director

Director

ATTEST:

Secretary: [Signature] Date: 4-28, 2016

Resolution effective 04/28/2016 ~~2016~~.

