

STONEHURST HOMEOWNERS ASSOCIATION, INC.
Board of Directors Position Number 2 Revision 1 (BODP-2)
Delinquency Collection Procedure

Whereas the Bylaws for the Stonehurst Homeowners Association (HOA) state in Section 6.1(i) that the Board of Directors shall have power to do anything necessary or desirable, including, but not limited to, establishing any rules and regulations which the Association deems necessary to carry out the purposes of the Association as set forth therein or as permitted by law; and

Whereas the HOA's Declaration of Covenants, Conditions, Restrictions and Easements (CCRs) states in Section 4.9 that the Association may bring an action at law against a delinquent owner, and states the same in Section 9.1 of the CCRs, and Article 10 of the HOA's Bylaws also provides for the collection of delinquent accounts;

The Board has approved the following as the Delinquency Collection Procedure:

1. Any assessment payment not received by the due date shall be termed delinquent. Letters announcing an assessment will be sent to all homeowners and will include a due date. The due date will be at least 30 days from the issuance of the letter. Non-receipt of a bill shall in no way relieve the homeowner of the obligation to pay the amount due by the due date.
2. If the assessment payment is not received within 15 days after the due date, a Notice of Delinquency shall be mailed to the owner of the property, to the owner's last known address. A late fee of \$10.00 will be due in addition to the assessment. The Notice will provide a due date of 30 days after the date of the Notice. The Notice will also state who the recipient should contact if they believe they do not owe this money.
3. If payment in full of the balance due is not received within 30 days after the date of the Notice of Delinquency, the Board will take further legal actions to collect the delinquent payment and the interest on it as permitted by the CCRs. A demand letter will be issued by the HOA's attorney, with the legal fees added to the balance due. If payment in full is not received in response to the demand letter, further legal proceedings will include recording the lien created by the non-payment of the assessment, and potentially proceeding to foreclose the lien, with legal fees charged to the homeowner. The Board shall vote on initiating foreclosure. The homeowner shall be notified at least 30 days prior to the foreclosure proceedings and will be given the opportunity to present a payment plan to the Board. The Board may accept or reject the payment plan. As authorized by CCR Section 4.9, costs and attorney fees for all actions at law shall be added to the balance due.
4. The Board of Directors is willing to discuss payment plans with any homeowner experiencing financial difficulties, and the acceptance of a payment plan by a vote of the Board will thereby hold in abeyance the previous steps of this procedure. The deliberations and decision of the Board shall be confidential in order to protect the privacy of the homeowner. If the homeowner does not comply with the terms of an accepted payment plan, the Board may vote to reinstitute these proceedings.

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5. Section 2.1(b) of the CCRs states that the Association has the right to suspend the voting rights of an owner whose account is delinquent. This suspension will not be automatic. The Board will vote on suspending voting rights and the owner will be notified by letter if a suspension is approved.

This Board position was adopted at a Board meeting on May 2, 2023 and is effective immediately.

Signed:

President: John Boska

John Boska

Date 5/2/2023