Heron Lakes Townhome Association, Inc.

BOARD RESOLUTION FOR ADOPTING THE POLICIES AND PROCEDURES FOR THE COLLECTION OF ASSESSMENTS AND OTHER CHARGES OF THE ASSOCIATION

WHEREAS, the Declaration of Covenants, Conditions and Restrictions governing the Heron Lakes Townhome Association, Inc. (the "Association") grants the authority to the Board of Directors to collect assessments for common expenses from the members of the Association; and

WHEREAS, the Board of Directors deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner;

THEREFORE, BE IT RESOLVED that the Board of Directors grants RISE (the "Management Company") as agent for the Association the authority to engage the Association's attorney, lien service, or collection agency in accordance with the Policies and Procedures for the Collection of Assessments and Other Charges of the Association only upon individual account approval designated in writing by the Board of Directors; and

BE IT FURTHER RESOLVED that the Board of Directors of the Heron Lakes Townhome Association, Inc. met on the 29 day of May, 2019 and adopted the attached Policies and Procedures for the Collection of Assessments and Other Charges of the Association dated May 1, 2019.

ATTEST:

Signature: _____

Printed Name: Tim Wiggins

Title: President

(President or Secretary)

Heron Lakes Townhome Association, Inc.

Policies and Procedures for the Collection of Assessments and Other Charges of the Association

The Board of Directors of Heron Lakes Townhome Association, Inc. (the "Association") has adopted the following policies and procedures for the collection of assessments and other charges of the Association. The policies and procedures detailed herein will be implemented on behalf of the Board of Directors by RISE (the "Management Company") as agent for the Association unless otherwise stated.

Obligation to Pay Assessments

Membership in the Association is mandatory pursuant to the terms and conditions of the Declaration. A property owner is legally obligated to pay the Assessments to the Association even if the Association's facilities or amenities are not used by the property owner. The property owner may not withhold assessment payments even if the association is not providing maintenance or other services mandated by the Association's governing documents.

Due Dates

Assessments are due on the 1st as follows: 1/1, 2/1, 3/1, 4/1, 5/1, 6/1, 7/1, 8/1, 9/1 10/1, 11/1, 12/1.

Invoices

The association may, but shall not be required to, invoice a property owner as a condition to an owner's obligation to pay assessment or other charges of the Association. As a matter of course, assessments are invoiced by coupons. Non-receipt of an invoice shall in no way relieve the property owner of the obligation to pay the amount due by the due date. Property owners who do not receive their invoice are responsible for contacting the Management Company prior to the due date to request a replacement. Property owners are responsible for notifying the Management Company of their mailing address at the time of acquiring property ownership and any subsequent mailing address change.

Late Payment Charges

An assessment shall be considered LATE and subject to late payment charges of $25.00 per occurrence if not paid in full on or after the following dates: 1/11, 2/11, 3/11, 4/11, 5/11, 6,11, 7/11, 8/11, 9/11, 10/11, 11/11, 12/11.

Homeowner account balances delinquent by one month assessment or more are subject to late payment charges of $25.00 per month if not paid in full on or after the following dates: 1/11, 2/11, 3/11, 4/11, 5/11, 6,11, 7/11, 8/11, 9/11, 10/11, 11/11, 12/11.

Return Payment Charges

A non-negotiable fee of not less than $25.00 will be assessed to the property owner for any payment processed that is not honored by a bank or financial institution for any reason including but not limited to insufficient funds. Such return payment charge shall be due and payable immediately upon demand. Any applicable late payment charges, which would have been assessed if the payment had not been made, may also be applied to the property owner's account. The payment of the outstanding account balance will be required to be paid with a money order or cashier's check. Personal checks will not be accepted to satisfy an outstanding account balance when an insufficient fund check makes up a portion of the balance.

Referral of Delinquent Accounts to Attorneys

The Association may, but shall not be required to, refer delinquent accounts to its attorney(s) for further collection action. The Association's attorney, at the direction of the Board of Directors and on behalf of the Association, may elect to pursue any available method of collection allowable under state law, which may include, but not be limited to, the filing of a lawsuit for foreclosure against the property owner.

Referral of Delinquent Accounts to Lien Services or Collection Agencies

The Association may, but shall not be required to, refer delinquent accounts to lien services providers or collection agencies for further collection action. These service providers, at the direction of the Board of Directors and on behalf of the Association, may elect to pursue any available method of collection allowable under state law.

Late Payment Charge Examples

Example: Homeowner sends check by mail on the 9th of the month. The check is received by the Management Company on the 13th of the month. This homeowner is past due and is charged a $25.00 late payment fee.

Example: Homeowner fails to pay the HOA dues in month 1. This homeowner now has a balance of $385.00 as the end of month 1. The Homeowner then pays $385.00 on the 2nd day of month 2. The Homeowner fails to pay $360.00 for the month 2 HOA dues so the Homeowner now has a past due balance of $360.00. This Homeowner is charged a $25.00 for a past due balance of 1 month or more

Delinquent Statements and Notices

Statement of Account

A Statement of Account reflecting the delinquent balance of a property owner's account is provided to all homeowners each calendar month. [1] The Statement of Account will include applicable late payment charges as detailed above. The Statement of Account is mailed by regular mail and is available on the Resident Portal at www.RISE.com.

Delinquency Notices

Each subsequent month the property owner's account remains delinquent, the following series of delinquent account notices and demand for payment are included with the Statement of Account in sequential order if the property owner's account balance is greater than or equal to 30 days delinquent (based upon Due Date) and greater than or equal to 1 x Assessment Amount.

Notice 1

The notice shown below will be included on a property owner's Statement of Account when the balance meets the criteria stated above and the previous Statement of Account did not meet the criteria for a delinquency notice.

Courtesy Notice

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account is delinquent. Please review your records and contact RISE at either if you believe there is a discrepancy. Please reference your 16-digit account number. If you have already remitted a payment to bring your account current, please disregard this notice.

If this information is correct, please remit a payment in the amount shown above plus any additional amounts that may accrue subsequent to the date of this statement by <DueDate> to avoid collection action.

Thank you for your cooperation in this matter.

Notice 2

The notice shown below will be included on a property owner's Statement of Account when the balance meets the criteria stated above and the previous Statement of Account included Notice 1.

Delinquent Account Notice

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account is delinquent. In accordance with the governing documents and policies adopted by the Association, delinquent accounts may be referred to an attorney for legal action, including filing a Notice of a Lien against your property. In addition to all applicable late fees and interest charges, you will be responsible for any collection fees and legal costs.

Please review your records and contact RISE if you believe there is a discrepancy. If you have already remitted a payment to bring your account current, please disregard this notice. If this information is correct, please remit a payment in the amount stated above plus any additional amounts that may accrue subsequent to the date of this statement by <DueDate> to avoid further collection action.

Thank you for your cooperation in this matter.

Notice 3

The notice shown below will be included on a property owner's Statement of Account when the balance meets the criteria stated above and the previous Statement of Account included Notice 2.

DELINQUENT ACCOUNT - FINAL NOTICE

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account with the Heron Lakes Townhome Association, Inc. is delinquent. Your balance, including assessments and late charges, due is <CurrentBalance> as of <PreviousDate>.

In accordance with the governing documents and policies adopted by Heron Lakes Townhome Association, Inc., your account will be referred to the Association's attorney for who will be authorized and instructed to file a Notice of Lien against your property. In addition to all applicable late fees and interest charges, you will be responsible for any collection fees and legal costs.

YOU ARE HEREBY NOTIFIED that failure to timely pay your Assessments is a violation of the Association's Declaration. To cure that violation, you must pay your account current within 30 days of the date of this statement.

Please review your records and contact RISE if you believe there is a discrepancy. Please reference your 16-digit account number.

If this information is correct, please remit a payment in the amount stated above plus any additional amounts that may accrue subsequent to the date of this statement by <DueDate> to avoid further collection action. A self addressed envelope is enclosed for your convenience. You may also make an on-line payment at RISE.com

Thank you for your cooperation in this matter.

Post Final Notice

The notice shown below will be included on a property owner's Statement of Account when the balance meets the criteria stated above and the previous Statement of Account included the "final" notice above or this notice prior to referral to an attorney, lien service, or collection agency for further collection action.

Delinquent Account - Post Final Notice

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account is delinquent and now pending referral to the Association's attorney in order to pursue further collection action.

Please review your records and contact RealManage if you believe there is a discrepancy. If you have already remitted a payment to bring your account current, please disregard this notice. If this information is correct, please immediately remit a payment in the amount stated above plus any additional amounts that may accrue subsequent to the date of this statement to avoid further collection action.

Thank you for your cooperation in this matter.

Post Referral Notice

Once an property owner's account has been referred to the association's attorney, lien service, or collection agency for further collection action, the property owner will receive the following notice below on their Statement of Account.[2]

Delinquent Account - Post Referral Notice

THE ASSOCIATION IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Your account is delinquent and is currently being handled by <VendorName> in order to pursue further collection action. There may be additional fees or costs of collection due which are not reflected on this statement. If you have not already made arrangements to resolve this delinquency, you should contact <VendorName> at <VendorPhone> if you have any questions regarding your account. You do not have online payment access at this time.

Thank you for your cooperation in this matter.

Use of Regular Mail / Certified Mail

In the event the Association shall send a delinquency notice or demand notice to a property owner by regular mail, the association may also send, but shall not be required to send an additional copy of the notice by certified mail.

Waivers

The Association may grant a waiver of any provision herein upon petition in writing by a property owner showing a personal hardship. Such relief granted a property owner shall be appropriately documented in the files with the person representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

Effective Date and Enforcement

The foregoing collection procedure has been adopted by the association by a Board Resolution and is effective as of the date therein. Nothing specified in this document, or the resolution to adopt the policies and procedures contained herein, shall require the Association to take specific actions. The foregoing collection procedure is a directive by the Board of the Association to the Management Company and is intended to be a guide to collection of Assessments owed to the Association. The Board of the Association may at any time revise the foregoing collection procedure and may at any time direct the Management Company to proceed differently with collection of an individual account based on circumstances applicable to that account and advice and guidance from the Management Company or the Association's attorney. Failure by the Management Company or the Board of the Association to follow the foregoing collection procedure shall not in any way affect the property owner's obligation to pay all Assessments when due, along with all applicable late payment charges and costs of collection. To obtain any information regarding this collection procedure or to obtain the most up-to-date collection procedure, a property owner should contact the Management Company.

[1] A Statement of Account and / or a delinquency notice will not be sent in cases whereby the Management Company has received notice of a property owner bankruptcy filed in the U.S. Bankruptcy Court, or a Notice of Foreclosure on the owner's property.

[2] The Management Company will continue to post assessments and applicable late payment penalties to the account. The attorney or lien service may, however, have other charges not reflected on the account or may have entered into payment arrangements not reflected on the account. The Management Company will adjust the account as instructed by the attorney or lien service as notified or at the time of closure.