

# TURFWAY PARK

## COLLECTION PROCEDURES

### RESOLUTION

COMES NOW the Turfway Park Homeowners Association, Inc., by its Board of Directors, on this 1 day of January, 2012, and states as follows:

#### **WITNESSETH THAT:**

**WHEREAS**, the residential community in Johnson County, Indiana, commonly known as Turfway Park was established upon the recording of certain Plats and other documents with the Office of the Recorder for Johnson County, Indiana; and

**WHEREAS**, the Plat for Turfway Park, Section 1A, was recorded with the Office of the Johnson County Recorder on July 9, 1997, as **Instrument # 97014747**, in Plat Book D, Page 56 A & B; and

**WHEREAS**, the Plat for Turfway Park, Section 1B, was recorded with the Office of the Johnson County Recorder on October 29, 1998, as **Instrument # 98030628**, in Plat Book D, Page 155 A & B; and

**WHEREAS**, the Declaration of Covenants, Conditions and Restrictions of Turfway Park ("Declaration") was recorded with the Office of the Johnson County Recorder on May 13, 1997, as **Instrument # 97009683**; and

**WHEREAS**, said Declaration states that by taking a deed to any Lot as set forth on the above listed Plats for the Turfway Park development, each owner becomes a mandatory member of the subdivision's homeowner's association known as Turfway Park Homeowners Association, Inc. ("Association"), an Indiana nonprofit corporation; and

**WHEREAS**, the Association was incorporated pursuant to the above listed Declarations as a non-profit corporation pursuant to Articles of Incorporation ("Articles") filed with, and approved by, the Indiana Secretary of State on May 15, 1997; and

**WHEREAS**, the original Board of Directors adopted a Code of Bylaws (“Bylaws”) for the Association to define the operating procedures of the Association and the powers and authority of the Board of Directors, said Bylaws being revised and amended from time to time thereafter; and

**WHEREAS**, the Articles, Article II, Section 2.03(c), states that the Association shall have the power to adopt rules and regulations and to perform such deeds as are deemed necessary to achieve the purposes for which the corporation was established; and

**WHEREAS**, the purpose of Association is to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth under the laws of Indiana and as stated in the Declaration, Articles and Bylaws;

**WHEREAS**, these powers and duties of the Association include, but are not limited to, the effective administration of the Association’s affairs regarding assessment collection by adopting collection policies and procedures, as set forth in the Declaration and Bylaws;

**WHEREAS**, the Association must collect assessments and other charges from the Property Owners to insure the maintenance and upkeep of the common elements and other responsibilities of the Association can be adequately performed;

**WHEREAS**, the Board desire to adopt a uniform, non-discriminatory and systematic procedure for the collection of assessments and other charges in furtherance of these duties and/or purposes,

**WHEREFORE BE IT RESOLVED** that the Board now adopts the following policies and procedures for the collection of assessments and other charges pursuant to the Board's authority as set forth in the Declaration, Articles of Incorporation and Code of Bylaws.

**[End of Recitals]**

## ASSESSMENT COLLECTION PROCEDURES POLICY

**March 1**

The annual assessment fee is due and payable (“due date”).

A "**FIRST NOTICE**" or "**INVOICE**" for the general assessment will be sent to each member in February. This notice will request payment from each owner within thirty (30) days of the due date. Any assessments not paid within thirty (30) days from the due date will be delinquent.

**April 1**

Unpaid annual assessments are now delinquent.

A "**REMINDER NOTICE**" will be sent to each delinquent homeowner requesting payment of the annual assessment amount within thirty (30) days of the "**Reminder Notice**". A \$20 monthly late fee will be added to the account at this time. This late fee will be recurring on the first (1<sup>st</sup>) day of each month from this point forward until all assessments, late fees, and other charges owed to the Association are paid in full, OR a mutually agreed upon payment arrangement has been established between the owner and the Association. In addition, this "**Reminder Notice**" will also inform the owner that his privileges to vote or to be elected or appointed to the Board of Directors are suspended until the owner's account is paid in full.

**May 1**

A "**FINAL NOTICE**" will be sent to delinquent homeowners requesting full payment of all assessments, late fees, and other charges owed the Association within fifteen (15) days of the "**Final Notice**". The "**Final Notice**" will state that if payment is not received within fifteen (15) days of the "**Final Notice**", the account will be turned over to the Association's Attorney for immediate legal action. Another \$20 monthly late fee will be added to the homeowner's account at this time.

**May 15**

An Administrative Expense Fee, if any, will be added to the delinquent owners account at this time and the delinquent account will be turned over to the Association's Attorney to begin pursuing collection.

**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 to his/her office 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, record a lien, 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 and Bylaws, 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**

**Special Assessments**

If the Association adopts a Special Assessment as provided for in the Declaration, the due dates of the Special Assessment shall be set when the Special Assessment is adopted, and the collection procedure for the Special Assessment shall be handled like the procedures set forth above unless an alternative collection procedure is adopted by the Board especially for the Special Assessment.

**Invoices**

The Association shall send invoices and other assessment notices pursuant to the Declaration and/or this Assessment Collection Procedure via first class US Mail, postage prepaid. It is not required that any notice from the Association be mailed to an owner via certified or registered mail.

All notices will be mailed to an owner's last known address. If an owner wishes notices to be sent to an address other than the property address, then it is the owner's responsibility to notify the Association of that change in mailing address.

Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay any assessment, late fees and other charges by the due date.

**Late Charges**

All assessments, late fees and other charges owed to the Association shall be past due and delinquent if not paid when due. The Association will charge a \$20 monthly late fee on all accounts that have an open and past due balance. Late charges may be added to past due accounts whose balance consists entirely of unpaid late charges, interest and/ or other charges. The late fee will be recurring on the first (1<sup>st</sup>) day of each month until all assessments, late fees and other charges owed to the Association are paid in full. *The amount and/or frequency of the late fee are 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. The late charge shall be treated and/or collected in the same fashion as any assessment according to the terms of the Declaration and/or this Assessment Collection Procedure.

**Interest**

Any amounts owed to the Association are to accrue interest at eight percent (8%) per annum until paid in full, PLUS interest on any judgments obtained during the collection process in the maximum amount allowed by law.

**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 shall also be added to the owner's account balance.

**Return Check Charges**

In addition to any other assessments or charges outlined in the Declaration and/or this Assessment Collection Procedure, a \$25 return check charge or the charge levied by the financial institution, whichever is greater, shall be assessed against an owner in the event any check or draft attributable to or paid for the benefit of the owner is not honored by the bank or is returned by the bank for any reason, including, but not limited to, insufficient funds or stopped payment orders. If an owner suffers a return check situation, The Association reserves the right to require the owner to make all future payments of assessments and other charges by certified check or money order.

**Order of Credit**

Any payment received from an owner shall be credited as follows:

1. Any outstanding or unpaid court judgments in the order of the judgment (s) date (s);
2. Oldest assessment/late fee balances in order to the most current assessment/late fee charge;
3. Court costs or other charges and/or expenses owed to the Association, including reimbursement of expenses for any violation of governing documents and/or rules and procedures, administrative expenses, etc.;
4. Any attorney fees not yet reduced to judgment.

**Suspension of Voting Privileges**

Any member whose assessments or account balance is more than thirty (30) days delinquent will have: a) their voting privileges; b) their rights to use any Association facilities, as may be defined or determined by the Board of Directors; c) any services provided by the Association; and d) their right to be elected or appointed to the Board of Directors, suspended during the time any amounts remain unpaid by the owner.

**Liens**

There will be charged a drafting and recording charge for any lien recorded to preserve a debt owed to the Association. The owner will be responsible for all legal fees charged for the drafting and recording of the lien, and all costs charged to release the lien once satisfied.

**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.

**Ongoing Evaluation**

Nothing in this resolution shall require the Association to take specific actions other than to notify owners of the adoption of these policies and procedures. The Association reserves the right and option to continue to evaluate the delinquency policy as it applies to each owner on a case-by-case basis.

**[The remainder of this page left intentionally blank]**

IN WITNESS WHEREOF, the Board of Directors has approved and the undersigned have executed this Resolution this 1 day of January, 20 12.

TURFWAY PARK HOMEOWNERS ASSOCIATION, INC.

Jeremy L. Ashlock  
Printed Name: Jeremy Ashlock  
President

ATTEST:

Richard C. Weis  
Printed Name: Richard C. Weis  
Secretary