

BOARD OF DIRECTORS RESOLUTION

ASSESSMENT COLLECTION POLICY

Upon motion duly made, seconded and carried, the Board of Directors for The Shadows at Manchac Homeowners Association adopted the following Resolution on December 17, 2020.

WHEREAS, the Covenants, Conditions and Restrictions of The Shadows at Manchac Homeowners Association require payment of Common Assessments, Special Assessments, Reimbursement Assessments, and any other assessments by the homeowners of real property within the said community in order to provide funds for payment of the expenses for upkeep, maintenance and preservation of the common areas therein, and for payment of the other expenses associated with the normal operation of said Association's business and affairs, and

WHEREAS, said Covenants, Conditions and Restrictions provide the Association's Board of Directors with the power and authority to require regular, special, and reimbursements levied against owners of real property within said community (all of who are required to be Members of the Association as a condition of ownership) to be fully and timely paid, and

WHEREAS, said Covenants, Conditions and Restrictions provide the Association's Board of Directors with the power and authority to take necessary action to enforce the rules and regulations as outlined, and

WHEREAS, the Board of Directors deems it to be in the best interest of the Association and all the Association's Members to establish policies and practices relative to the Association's rights, and

WHEREAS, the Board of Directors intends to protect community harmony by enforcing the Governing Documents by establishing procedures that ensures due process and consistency, and

WHEREAS, the Board of Directors has fully discussed and considered this matter, and

NOW, THEREFORE, BE IT FURTHER RESOLVED the Board of Directors does hereby adopt the following procedures and practices are established for the collection and Assessments owing and to become owing by the Owners of Lots in the Association and the same are to be known as the Assessment Collection Policy for the Association in the discharge of its responsibilities regarding collection of Assessments levied against Lots:

ASSESSMENT COLLECTION POLICY as outlined below.

1. **POLICY OBJECTIVE.** The collection of Assessments pursuant to the Declaration and this Assessment Collection Policy will be governed by the following objective:

The Association will pursue collection of all Assessments. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the expedient course of action for resolving the delinquency.

2. **OWNERSHIP INTERESTS.** Pursuant to the Declaration, the person who is the Owner of the Lot as of the date an Assessment becomes due is personally liable for the payment of the Assessment. The personal obligation for delinquent Assessment shall not pass to the successors in title of the Owner unless expressly assumed by them.

3. **HANDLING CHARGES AND RETURNED CHECK FEE.** In order to recoup costs incurred because of the additional administrative expenses associated with collecting delinquent Assessments, collection of these fees and charges are part of the Collection Policy. These fees and charges, including a \$15.00 Collection Notice Fee, will be added to the amount outstanding and are collectible to the same extent and in the same manner as the delinquent Assessment.

4. **APPLICATION OF FUNDS RECEIVED.** All moneys received by the Association will be applied to amounts outstanding to the extent of and in the following order:

- a. First the unpaid Assessment amount
- b. Next, the interest accrued
- c. Last to late fees, collection costs, and attorney's fees incurred by or on behalf of the Association

5. OWNERSHIP RECORDS. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the Lot for which Assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice of communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot will be valid and effective for all purposes pursuant to the Declaration and this Assessment Collection Policy until such time as there is actual receipt by the Association of written notification of any change in the identity or status of such Owner or its address or both.

6. NOTIFICATION TO OWNER.

- a. LATE NOTICE. A Payment by a Member shall become delinquent if not paid on the date due, February 1st. A late notice will be sent via regular first-class mail to the Owner if the Assessment amount is unpaid fifteen (15) or more days after the due date.
- b. SECOND LATE NOTICE. No sooner than thirty (30) days after the due date, the Association will send a notice via regular first-class mail to the Owner setting forth the amount of the delinquent Assessment owing. A late fee of \$75.00 will be added to any account that is thirty (30) days past due. In addition, the Assessment shall bear interest at the rate of twelve (12) percent per annum from the date of delinquency along with the cost of collections thereof as hereinafter provided.
- c. INTENT TO LIEN NOTICE. No sooner than forty-five (45) days beyond the due date, the Association will send a notice of Intent to Lien to the Owner making a formal demand for immediate payment

for all outstanding amounts, including accrued interest and cost of collections. The Intent to Lien notice will be sent via regular and certified mail, return receipt requested.

- d. RECORDATION OF LIEN. Sixty (60) days after the due date, where the Board has determined as Assessment lien is to be pursued, if an Owner fails to pay in full the entire amount covered by an Intent to Lien notice by the date specified, the Board will cause to be prepared and recorded with the Parish Recorder a written notice of Lien. The Association may bring an action against the Owner personally obligated to pay the unpaid Assessments, charges or expenses and the Owner shall be responsible to pay reasonable attorney's fees and all costs and other expenses incurred by the Association in connection with collection of such Assessment. In the same action, or a separate action at the option of the Association, the Association may seek recognition and enforcement of the real obligation provided by these restrictions and the privilege provided for in LA R.S. 9:1145, et seq., by proceeding "in rem" against the affected Lot and its Owner for the amount of the unpaid Assessments, include legal interest thereon from the date due and reasonable attorney's fees.

7. ALTERNATIVE COLLECTION COURSES. At each step in the collection process the Board, acting with input and recommendation from management and counsel, will evaluate which course of legal action appears to be in the best interest of the Association for recovery of unpaid Assessments. Where foreclosure of the Assessment lien in favor of the Association against a Lot, together with pursuit of personal judgement against the Owner, is determined to be advisable, or personal judgement alone, the Board will direct counsel to proceed accordingly.

8. VERIFICATION OF INDEBTEDNESS. Where an Owner requests verification of the indebtedness, management services will, upon notification of the Owner's request, supply such verification within fifteen (15) business days. The exercise of the collection rights of the Association regarding Assessments will in all ways comply with the Fair Debt Collection Practices Act.

BE IT FURTHER RESOLVED THAT this Assessment Collection Policy replaces and supersedes in all respects all prior resolutions with respect to the collection of Assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified, or amended.

Executed this 17th day of December, 2020.

Approved by the Board of Directors at its Board Meeting.

Misty Entremont
Director Misty Entremont

Joey Thornburg
Director Joey Thornburg

Mark Ammons
Director Mark Ammons

Christina Martino
Director Christina Martino

Justin Smith
Director Justin Smith