

COLLECTIONS RESOLUTION

The Jonathan Association's Board of Directors hereby resolves the following:

WHEREAS the Board of Directors is charged with the responsibility of collecting assessments for common expenses from homeowners pursuant to the Association's governing documents; and

WHEREAS from time to time homeowners become delinquent in their payments of these assessments, notice of delinquency is required, and additional collections action(s) are required if the owner fails to respond to demands from the management agent of the Association to bring their accounts current; and

WHEREAS the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the interests of the Association to refer these accounts to management or counsel for collection action as may be appropriate;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby authorizes management and the Association's attorneys to pursue collection of all delinquent assessments and to take all necessary actions in this regard including, but not limited to, the following:

1. Pursuant to Section VIII, Subsection 8 of the association's Declaration, there is hereby levied against any assessment account which is more than 30-days delinquent, an interest rate of 8% per annum which the manager is authorized and directed to charge to and collect from any delinquent homeowners. Management shall also have the authority to charge to delinquent homeowner accounts administrative fees for collection actions, as authorized in the Management Agreement. Such charges will only be paid to management when the homeowner pays the association as authorized in the Management Agreement.
2. Management shall issue a Courtesy letter to any homeowner who is more than 30 days delinquent. The letter advises the homeowner of their delinquency and provides the necessary information to remit payment in full or contact the collections department to pursue an approved payment plan to bring it current.
3. Management shall issue a 2nd Courtesy letter to any homeowner who is more than 60 days delinquent. The letter advises the homeowner of their delinquency and provides the necessary information to remit payment in full or contact the collections department to pursue an approved payment plan to bring it current.
4. Management shall issue a 10-Day Demand letter to any homeowner who is more than 90 days delinquent. The letter advises the homeowner to address their account's delinquency within 10 days by either paying the account in full or contacting the collections department to pursue approval of a payment plan to bring their account current, in order to avoid further collection action.

5. At any stage of the collection process, management is hereby authorized to negotiate and accept payment plans from homeowners without further Board approval, subject to the following: said payment plans shall bring the account fully current in not more than six months from the commencement of the payment plan. Payment plans of longer duration shall be presented to the Board of Directors for approval. Management/Board of Directors may decline to accept any payment plan proposed by a homeowner based on factors considered relevant by management/Board including, but not limited to, past payment history, ability to pay, the status of any potential mortgage foreclosure, and other encumbrances against the unit.
6. If a homeowner has not addressed their account's delinquency and the account is delinquent 120 days or more, the account shall be referred to legal counsel for collection. An initial FDCPA demand letter will be issued by counsel, informing the homeowner of the delinquent balance and advising of the ramifications of the continued failure to bring the account current. When appropriate and authorized by the Association's governing documents, this letter will also advise the homeowner that if the account is not brought current, the annual assessment will be accelerated through the end of the Association's fiscal year and any special assessment installments will also be accelerated.
7. If a homeowner has still not addressed their account's delinquency as of January of the following year (date of next annual assessment) and the account is delinquent 150 days or more, legal counsel will issue an FDCPA (final) demand letter to include the current year's annual assessment and informing the homeowner of the delinquent balance, allowing the association to include the current year's assessment in their collection efforts. When appropriate and authorized by the Association's governing documents, this letter will also advise the homeowner that if the account is not brought current, the annual assessment will be accelerated through the end of the Association's fiscal year and any special assessment installments will also be accelerated.
8. If payment is not received and the homeowner does not respond to the attorney's (f i n a l) demand letter, a written Notice of Lien and other preliminary foreclosure documents will be prepared and forwarded to the Association President for execution. At the time of lien recording, legal counsel will send another letter to the homeowner advising of this action and again requesting the homeowner to contact management to resolve their delinquent account. The attorney will also obtain title work to determine the status of encumbrances against the property, including the status of any possible mortgage foreclosure.
9. Once legal counsel has confirmed they are in receipt of the recorded lien documents, management will advise legal counsel to initiate an action to foreclose the association's lien against the delinquent homeowner's unit, if necessary. The homeowner will be informed accordingly by legal counsel. Legal counsel will proceed with foreclosure as required by statute and the Association's governing documents. Legal counsel is hereby authorized to take appropriate action to effectuate the foreclosure, including recording

all necessary documents and attending and bidding at the sheriff's sale on behalf of the Association.

10. If, following the Association's lien foreclosure sale, no redemption is made by the homeowner or any junior lien holder, the Association assumes ownership of the property subject to any first mortgage and unpaid real estate taxes. If there is no first mortgage on the unit, the Association's attorney is hereby authorized to take any further action necessary to obtain clear title and ready the property for sale by the Association, including, but not limited to, commencing an eviction action if the unit is occupied and commencing proceedings subsequent if the unit is Registered or Torrens property. If there is a first mortgage encumbering the property, management and legal counsel will consult with the Board regarding how to proceed.
11. If pursuing a judgment in conciliation or district court is deemed to be the appropriate action, legal counsel is hereby authorized to commence suit in conciliation/district court pursuant to the governing rules of civil procedure. Conciliation/district court actions will typically be commenced for pre-foreclosure amounts owing or if foreclosure is not deemed an appropriate option.
12. If pursuing a judgment in conciliation court is pursued, management is hereby authorized to represent the Association at the conciliation court hearing. Legal counsel will prepare the claim forms, effectuate the court filings and obtain service on the homeowner. The hearing notice will be forwarded to management and a management collections representative will attend the hearing on behalf of the Association. The Association shall pay management an administrative fee for the conciliation court work, as authorized in the Management Agreement.
13. Once a judgment has been obtained, management and legal counsel will attempt to collect the judgment through wage garnishments, bank levies, and other collection options.
14. Management will inform the Association Board of Directors of collection matters that may involve significant and unusual expense, or where there are other factors that warrant or require direction from the Board.
15. If the homeowner's account is paid in full after a lien is filed and no foreclosure has taken place, legal counsel is hereby authorized to prepare/file a Satisfaction of Lien.

16. Management will maintain updated information about the status of all collection actions and will make such information available to the Board in a monthly report and/or as requested.
17. Management, acting on behalf of the Association, shall pay the Association's attorneys (legal counsel) their usual and customary charges for time incurred in connection with their representation of the Association, together with costs incurred by the firm, including but not limited to, fees and charges for court filings, recording fees, title work, service of process, photocopies, postage, skip traces, and other costs necessarily incurred on behalf of the Association.
18. Management shall assess all such costs of collections against the subject delinquent unit.
19. A copy of this Resolution shall be forwarded to all members of the Association.

This Resolution was adopted by the Board of Directors on this 20th day of April, 2021.