

VILLAS OF MEADOW RIDGE HOMEOWNERS ASSOCIATION

COLLECTION POLICY FOR DELINQUENT ACCOUNTS

WHEREAS the Board of Directors of the Association is charged with the responsibility of collecting assessments for common expenses from homeowners pursuant to Article III, Section 4h of the by-laws; and

WHEREAS, from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS the board 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, and further believes it to be in the best interests of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS the Board has retained the Association's attorneys for their experience in representing condominium and homeowners associations in collections and other matters; and

WHEREAS the Board has directed the Association's attorneys to represent the Association on the terms outlined in this resolution; NOW, THEREFORE,

BE IT RESOLVED that the Association's attorneys shall pursue all collection and other matters which the Board, acting through the manager, may from time to time refer to them and to provide any advice and counsel which the Board may from time to time require; and

BE IT FURTHER RESOLVED that the Manager, acting on behalf of the Association, shall pay the Association's attorneys their usual and customary charges for time incurred in connection with their representation of the Association, together with all costs incurred by the firm, including but not limited to fees and charges for filing, service of process, messenger service, photocopies, postage, long distance calls, investigator's services, credit reports and title reports, promptly upon receipt of the monthly invoice; and

BE IT FURTHER RESOLVED that pursuant to Article VII, Section 2 of the by-laws there is hereby levied against any assessment account which is not paid in full as of the fifteenth (15th) day of the month a late fee in the amount of \$25.00, which the Manager is authorized and directed to charge to and collect from any delinquent homeowner; and

BE IT FURTHER RESOLVED that the Manager is directed to send to any homeowner who is more than fifteen (15) days delinquent in the payment of regular or special assessments, or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments"), a written notice (hereinafter referred to as "First Notice") of the late fee and a request for immediate payment; and

BE IT FURTHER RESOLVED that the First Notice sent by the Manager to the delinquent owner shall also state that unless the owner disputes the validity of the debt, or any portion thereof, within thirty days after receipt of the notice, the debt will be assumed to be valid; and if the owner notifies the Manager in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the Manager will obtain verification of the debt and a copy of such verification will be mailed to the owner by the Manager; and

BE IT FURTHER RESOLVED that the First Notice and the Second notice sent by the Manager to the delinquent owner shall state that any request for special consideration of hardship circumstances, including all reasons why the Board should consider the request, but be submitted in writing to the Board before the Assessment becomes sixty (60) days delinquent, together with a request for a hearing, or in the alternative, a request that the determination be made by the Board based on the written request, and if not so submitted, then such request shall have been deemed waived; and

BE IT FURTHER RESOLVED that the Manager is directed to send to any homeowner who is more than two (2) months delinquent in the payment of Assessments written notice (hereinafter referred to as the "Second Notice") that, if the account is not paid in full within fifteen (15) days, a Notice of Claim of Lien will be recorded and a copy thereof will be forwarded to any lender with a mortgage against the unit; and

BE IT FURTHER RESOLVED that the Manager is directed to file a Notice of Claim of Lien against the delinquent unit as described in the letter to the homeowner and is further directed to send a copy thereof to the homeowner's lender if the homeowner's Assessments remain delinquent for fifteen days after the date of the Second Notice; and

BE IT FURTHER RESOLVED that the Manager is directed to send to any homeowner who is more than ninety (90) days delinquent in the payment of Assessments a written notice (hereinafter referred to as the "Third Notice"), that if the account is not paid in full within ten (10) days it will be turned over to the Association's attorneys for collection and the homeowner will be liable for payment of all charges imposed by the Association's attorneys to cover fees and costs charged to the Association; and

COLLECTION PROCEDURE

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BE IT FURTHER RESOLVED that the Manager is directed to refer any account which remains delinquent for ten (10) days after the Third Notice to the Association's attorneys for collection and to accelerate the total amount of assessment due by sending a notice of acceleration to the owner via certified mail, return receipt requested; and

BE IT FURTHER RESOLVED that the Manager is directed to consult with the Association's attorneys and turn over for collection immediately any account where the owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the unit; and

BE IT FURTHER RESOLVED that the membership rights of any owner whose account is thirty (30) days past due may be suspended at any time at the discretion of the Board during the period that any installment, charge or assessment remains unpaid, subject to the terms of the Governing Documents' and

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent accounts turned over to the Association's attorneys for collection"

1. All contacts with a delinquent homeowner shall be handled through the Association's attorneys. Neither the Manager nor any Association officer or director shall discuss the collection of the account directly with a homeowner after it has been turned over to the Association's attorneys unless one of the Association's attorneys is present or has consented to the contact.
2. All sums collected on a delinquent account shall be remitted to the Association in care of the Association's attorneys until the account has been brought current.
3. The Association's attorneys' minimum legal fee shall be assessed against each delinquent unit and its owner (including repeat offenders) when the account is turned over to the Association's attorneys for collection. That amount shall be credited against the fees and costs actually incurred in the collection of the homeowner's account. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit and owner and shall be collectable as an Assessment as provided in Article VII, Section 6.
4. Where at the expiration of the period specified in the Association's attorneys' demand letter, an account remains delinquent and without a payment plan embodied in a signed Stipulation for Judgement or a signed agreement by a renter to pay rent, or in the event of a default under the terms of either agreement, the Association's attorneys are authorized to take such further action as they, in consultation with the Board president, believe to be in the best interest of the Association, including but not limited to:
 - a. Filing suit against the delinquent homeowner for money due pursuant to Article V, Section 4 of the by-laws;
 - b. Instituting a nonjudicial action for foreclosure of the Association's lien, pursuant to Article V, Section 4 of the by-laws; or
 - c. Filing a proof of claim in bankruptcy; or
 - d. Instituting a judicial action for foreclosure of the Association's lien, pursuant to Article V, Section 4 of the by-laws and seeking the appointment of a receiver for the unit pursuant to Article V, Section 4 of the by-laws; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to all homeowners at their last known addresses.

This resolution was adopted by the Board of Directors on 12/14/04, and shall be effective on December 1, 2004.

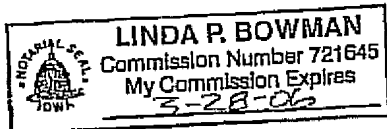
President Jean Eichelberger Secretary [Signature]

AFFIDAVIT OF TRUE RECORD

The undersigned, as keeper/custodian of records for Conlin Properties, Inc., does hereby state that all documents produced, are, to the best of the knowledge and belief of the undersigned, complete and true and accurate and are unsanitized copies of the actual original record.

Betsy French
Association Manager For Conlin Properties, Inc.
Its _____

Subscribed and sworn to before me, the undersigned, a Notary Public in and for the State of Iowa.



[Signature]
My commission expires 3-28-06

12.00
137
by



Doc ID: 016142610004 Type: GEN
Recorded: 01/13/2005 at 03:15:40 PM
Fee Amt: \$22.00 Page 1 of 4
Revenue Tax: \$0.00
Polk County Iowa
TIMOTHY J. BRIEN RECORDER
File# 2005-00064877

BK 10902 PG 55-58

Fee:
Return To:

RETURN TO: Conlin Properties, Inc.
Attn: Betsy French
319 7th Street, Suite 500
Des Moines, IA 50309

Type of Document: Collection Resolution of Parking Resolution

Prepared By: Betsy French, Conlin Properties, Inc. 319 7th St. Suite 500 Des Moines IA 50309 (515) 246-8016 x.
Individual's Name Street Address City Zip Phone IA 50309

Address Tax Statement: Betsy French, Conlin Properties, Inc. 319 7th St. Suite 500 Des Moines, IA 50309 (515) 246-8016 x.
Individual's Name Street Address City Zip Phone

Timothy J. Brien

111 Court Avenue Room #250
Des Moines, IA 50309-2251
515-286-3160
www.co.polk.ia.us

Polk County Recorder