



**BOONE'S TRACE PROPERTY OWNERS ASSOCIATION, INC.
DUES COLLECTION POLICY**

WHEREAS, under the collective authorities provided to the Board of Directors of the Boone's Trace Property Owners' Association, Inc. contained within the Governing documents of the Association which include; *The Covenants, Condition and Restrictions for The Boone's Trace Development, The Articles of Incorporation of Boone's Trace Property Owners' Association, Inc., The Bylaws of the Boone's Trace Property Owner's Association, Inc.* along with those duties and powers provided for Boards of Directors under *KRS Chapter 273 Nonprofit Organizations* (more commonly referred to as the Kentucky Nonprofit Corporation Act; *The Board of Directors has the authority and the Duty to enforce the Covenants, Conditions, and Restrictions (CC&Rs) of the Boone's Trace Development;*

WHEREAS, Article V – Association provides for the creation of assessments against each Lot and further outlines the penalties related to non-payment of such assessments. Paragraph 3 states" . . . All assessments levied against a Lot, together with interest at a rate not to exceed eighteen (18%) percent or the highest rate allowed by Kentucky law as computed from the date of delinquency first occurs, reasonable late charges, costs, and reasonable attorney's fees, shall be a continuing lien upon the Lot. In addition, each such assessment, together with interest, late charges, costs, and attorney's fees, shall be the personal obligation of the Person who was the Owner of such Lot as the time the assessment arose. The grantee of such Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of a conveyance.

Assessments shall be paid in such manner and on such dates as may be fixed by the Association, including, without limitation, provisions for acceleration all Assessments due in a given year upon delinquency in payment of a monthly Assessment."

WHEREAS, the Board of Directors wishes to establish a clearly defined Collection Policy for the Association to manage the collection of said assessments:

LET IT BE RESOLVED THAT, the following Dues Collection Policy is hereby adopted by the Board of Directors:


1. The Board authorizes the Association Manager to collect the dues on the behalf of the Association and to enforce this Dues Collection Policy.
2. All "Assessment", "Special Assessment", and "Enforcement Charges," along with any other charges, costs, or attorney's fees that may be levied against a Lot, Lot Owner, or occupants of a home on a Lot, **shall be due and payable on the First of the Calendar Month.**
 - a. The Association is not required to, and will not, send any type of invoice or notice to the Lot Owner for a financial obligation to be payable to the Association.
 - b. A Lot Owner's account will be charged \$25.00 for any check, electronic check, or other Electronic Payment returned to the Association for refused payment. The Association Manager will notify the Lot Owner that this charge has been levied against their account as soon as practical after receiving notice of the refused payment.

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- c. The Association Manager will periodically post and send payment remittance instructions to Lot Owners.
3. Lot Owners in Good Standing are defined as those Lot Owners whose financial obligations to the Association are current or no more than thirty (30) days in arrears.
 - a. Regardless of a Lot Owner's past payment history or, any Lot owner whose account is current or not more than thirty (30) days in arrears shall be considered in "Good Standing" and therefore eligible to cast their vote as a member and enjoy any other privileges afforded to Lot Owners in Good Standing.
4. The Collection Process is defined as:
 - a. **Ten (10) days after the payment due date** (defined as "Grace Period") a "Late Charge" will be charged against the account.
 - i. The "Standard Administrative Late Charge" is set at \$25.00
 1. A Late Charge will be applied to every month that payments are not received prior to the end of the Grace Period and when an account balance exceeds \$50.00 in total at the end of the grace period.
 2. The Lot Owner can contact the Association Manager to request a waiver of the Late Charge due to any special circumstances.
 - a. The Board hereby grants approval for the Association Manager to apply "Good Judgment" in deciding to waive a late charge; however, the Association Manager may not waive more than two late charges in any twelve month period for a specific account without the approval of the Association's Treasurer.
 - b. Once a Lot Owner's account becomes 40 days past due (they have missed two payments and have two Late Charges), the Lot Owner will be sent via regular mail "**Collection Letter #1**" informing the Lot Owner that:
 - i. Their account is two months behind and that they have been assessed \$50 in Late fees, and
 - ii. They need to bring the account current to avoid further Late charges and collections costs.
 - c. If the Lot Owner does not bring the account to a current status within the next (30) days (i.e. Seventy (70) days past due); the Lot Owner will be sent via regular mail "**Collection Letter #2**" which states that the account is going to be turned over to the Association's Attorney for the placement of a lien against the Lot for:
 - i. The amount due including the Outstanding Balance of Current Year Assessments, administrative late charges, and interest, including:
 1. All Collection and Attorney fees paid by the Association related to collecting the account.
 - ii. Copies of this letter will be sent to all parties with an ownership interest in the Lot.
 - d. The Lot owner can contact the Association Manager within Five Days to develop a written payment plan to bring the account to a current status.
 - i. All Payment plans must be signed by the Lot owner and approved and signed by the Association's Treasurer.
 - e. Any Lot Owner whose account is not brought to a current status within Ninety (90) days the Association Manager will refer the account to the attorney **with instructions to:**
 - i. Send a Ten (10) Day Lien Filing Notice Letter via certified, return receipt mail, and
 - ii. In the event the Owner does not bring their account current within the timeframe defined in the Ten Day Lien Filing Notice letter, to go ahead and file a lien.

5. Any Lot owner whose financial obligations to the Association have been past due in excess of Sixty (60) days more than twice in any Twelve Month period will be sent a **"Delinquent Lot Owner Letter"** informing the Lot Owner that due to their past late payment pattern they are now required to within Ten Days (10) days either:
 - a. Enroll in the Association's Electronic Automated Payment Program or
 - b. Pay the balance of the Current Year assessment.
6. Partial Payments received from Lot Owners will be applied in the following order:
 - a. Administrative Late Fees, Attorney's fees and other collection costs incurred in the collection process
 - b. Fines or other charges assessed against the Lot
 - c. Past Dues assessments,
 - d. Current assessments.
7. At any time a Lot owner believes they will have or are having difficulty maintaining their account in a current status, the Lot owner can request to meet with the Board of Directors in Executive Session (Closed to the public) to discuss the situation. Based on the circumstances presented, the Board of Directors may, by unanimous decision, agree to deviate from the Standard Collection Process contained herein in developing a plan for the Lot owner to maintain or bring their account to a current status.

Signed: 
President-Board of Directors

Date: 3/8/11

Recorded in the Book of Minutes this 8TH day of MARCH, 2011.

Attested: 
Secretary – Board of Directors

Date: 3/8/11