

RESOLUTION 03-2020

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF RITTENHOUSE AT LOCUST GROVE HOMEOWNERS ASSOCIATION, INC.  
REGARDING NON-PAYMENT OF ASSESSMENTS AND  
COLLECTION PROCEDURES**

**WHEREAS**, Rittenhouse At Locust Grove Homeowners Association, Inc., (the “Association”), a New Jersey not-for-profit corporation, is required pursuant to state laws and the Association’s governing documents to adopt and amend rules and regulations covering the details of the operation and use of the Common Property and community; and

**WHEREAS**, Articles V and VI of the Bylaws of the Association (the “Bylaws”) authorize the Board of Directors (the “Board”) to manage, adopt and enforce any Rules and Regulations of the Association by the imposition of penalties, monetary fines and other actions;

**WHEREAS**, Article V, Section 5.09 of the Declaration of the Association (the “Declaration”) provides, in relevant part, that any assessment not paid within thirty (30) days after the due date shall bear penalty and interest from the due date;

**WHEREAS**, Article XII of the Bylaws provides that the each Lot Owner shall be liable for an Annual Common Expense Assessment, the amount of which shall be established by the Board on an annual basis and which shall be payable on a monthly basis or at such times as the Board shall otherwise determine;

**WHEREAS**, Article XII of the Bylaws provides that in the event common expenses and/or assessments are not paid by the Lot Owner as required, the Board may assess fines, liens, delinquency assessments, costs of collection and interest at 18% per annum;

**WHEREAS**, the By-Laws provides that the Board may adopt resolutions appropriate to assist it in carrying out its purposes;

**WHEREAS**, the Board has determined that it is in the best interest of the Association and the members for the Association to adopt a new rules and procedures by this resolution (the “Resolution”) setting forth the procedures to address non-payment of assessments and collection actions;

**WHEREAS**, the Board has determined that it is in the best interest of the Association and the members for the Association to establish separate due dates for delinquent Lot Owner accounts;

**WHEREAS**, the Board is given the authority to levy assessments as set forth and defined in Article V of the Declaration, in an amount sufficient to meet its obligation regarding the care, maintenance, repair and improvement of the Common Property and operations of the Association;

**WHEREAS**, the failure of some Lot Owners to make timely payments of monthly installments of the Association's assessments is causing the Association to suffer cash flow difficulties;

**WHEREAS**, the Board has met on several occasions and discussed various alternatives to induce Lot Owners to make timely payments of their assessments;

**WHEREAS**, the Board has mailed on several occasions notices to all Lot Owners informing them of the need for prompt payment of their assessments;

**WHEREAS**, the Board has determined that a policy incorporating the acceleration of annual assessments, attorney's fees and the institution of lien proceedings as already authorized by Article V of the Declaration, together with interest charges as authorized by Article XII, Section of the Association's By-Laws is a fair and appropriate means of securing more timely payment of assessments

**NOW, THEREFORE, BE IT RESOLVED** by the Board that the following policy and procedures be and they hereby are adopted, ratified and confirmed:

1. Common Expense assessment installments are due and payable monthly, on the first day of the month whether or not a Lot Owner ("Owner") has received a monthly statement regarding payment of same. The monthly statements presently sent are sent as a convenience to remind the Owners as to the amount due as the monthly maintenance fee and that the bill should be paid prior to the day of the month in which it is received in order to avoid an 18% per annum interest charge and late fee. The Common Expense assessment is an annual assessment for which the Association extends the privilege of permitting Unit Owners to pay in timely, equal monthly installments on the first day of each month.

2. If the Association does not receive full payment of a particular monthly assessment installment, including any other permitted charges which may have been imposed, by the last day of the month during which same is due, an interest charge of 18% per annum shall be automatically levied.

3. If the Association does not receive full payment of a particular monthly assessment installment, including any other permitted charges which may have been imposed, by the last day of the month during which same is due, a late fee of \$35.00 shall be automatically levied.

4. If the Association does not receive within the said thirty (30) day time period full payment of all delinquent assessments and charges, without further direction by and/or authorization of the Board, the managing agent shall send a written late notice to the Owner, informing the Owner that they shall have ten (10) days from the date of mailing to bring their account current. During this period, the Board may direct the managing agent to telephone the Owner and inform the Owner of the delinquency. The managing agent may charge the Owner's account a reasonable fee for the preparation and mailing of this notice letter.

5. If the Association does not receive within the said forty (40) day time period full payment of all delinquent assessments and charges, without further directive by and/or authorization of the Board, the following actions shall be authorized:

- a. the Owner's annual Common Expense assessment shall be accelerated; and
- b. the managing agent shall notify the Association's Attorney in writing of these collection matters, the names and addresses of the delinquent Owners and of the total amount in arrears, setting forth a break down of the items comprising that total amount. Such notification shall be deemed, and shall serve as, the Board's authorization for the Attorney to proceed against the delinquent Owner.

6. As to any Owner who is delinquent in paying assessments and/or other charges, the Board shall have the right to suspend the Owner's privileges, and the privileges of any tenant and/or occupant of the Owner's unit, to use the common elements (i.e. the general parking spaces, common areas) until the Owner tenders full payment of all delinquent assessments and charges.

7. Unless directed otherwise in writing by the Association or managing agent, upon receipt of the Association's said notification, the Attorney shall promptly prepare and record a claim of lien and send a Late Notice to the delinquent Unit Owner, demanding that full payment of all delinquent assessments, interest and charges be made within thirty (30) days of the Unit Owner's receipt of the Late Notice. The Late Notice shall inform the Unit Owner of the acceleration of the delinquent assessment and the filing of the claim of lien, and shall state that the delinquent assessments shall bear interest at the rate of 18% per annum from the date the installment first came due until paid in full and that the Unit Owner is responsible for associated attorneys' fees and costs.

8. If the Association does not receive full payment of all delinquent assessments, accrued interest and charges within thirty (30) days of the mailing of the Late Notice, the Attorney shall, without further notice, direction and/or authorization from the Board and without further notice to the delinquent Owner (except in the case of foreclosure), commence legal action against the Owner(s). Legal action may include, without limitation, the filing of a claim of lien and/or an action to foreclose the Association's lien and/or to recover a personal judgment against the delinquent Owner for all sums due and owing to the Association hereunder.

9. Once an Owner becomes delinquent in the payment of any assessments and/or charges, any amounts paid by the Owner to the Association with regard to same shall be applied first to attorneys' fees and costs incurred in connection with any claim of lien and/or collection, then to accrued interest on the delinquent assessments and/or charges, then to the principal amount of the most aged Common Expense assessments and/or charges, then to current assessments and/or charges.

10. Upon complete payment of all delinquent assessments, accrued interest and/or other charges including, but not limited to attorneys' fees and costs, the managing agent shall so notify the Attorney in writing, and a claim of lien has been filed, the Attorney shall prepare and record a "Discharge of Lien" signed by the Association.

11. The Board may, on a case-by-case basis, grant relief to a delinquent Owner from interest charges, collection costs, attorney's fees and/or other charges imposed by the Association and related to the collection of delinquent assessments, and the delinquent Common Expense assessments where, in the sole discretion of the Board, the circumstances merit such relief.

12. To the extent that any one or more provisions of this policy shall be declared illegal, invalid or unenforceable by a Court of competent jurisdiction, all remaining provisions shall remain in effect.

11. The policy established in this Resolution shall become effective immediately and shall be applied to those Common Expense assessment and assessments due and owing as of January 1, 2020 and thereafter. 2021

**IT IS FURTHER RESOLVED THAT** the Association may use any and all powers at its disposal to enforce this Resolution;

**IN WITNESS WHEREOF,** the Board has caused this Resolution to be executed the day and year written by the President and Secretary of the Board below.

EFFECTIVE 10/07, 2020

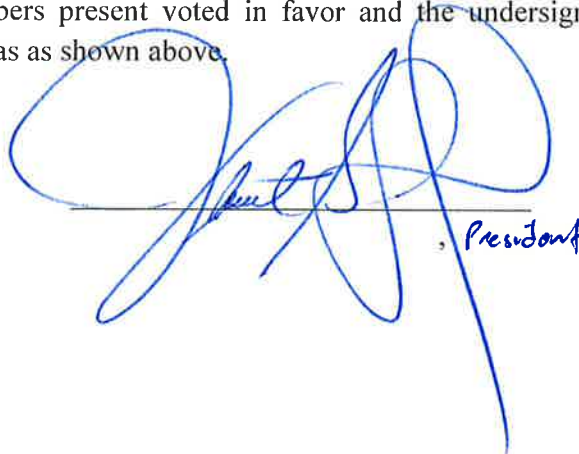
RESOLUTION ON COLLECTION PROCEDURES

VOTE OF BOARD OF DIRECTORS

<u>Role Call</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
<u>Janet Griffin</u>	✓			
<u>Dennis Probst</u>	✓			
<u>Michael De Palma</u>	✓			
_____				
_____				

The undersigned, member of Rittenhouse at Locust Grove Homeowners Association, Inc., certifies that the foregoing is a true copy of the Resolution adopted on the 7<sup>th</sup> day of October 2020, by a roll call vote by the Board of Directors at a regularly scheduled Board meeting held upon proper notice to each Board member, at which a quorum was present and at which a majority of the Board members present voted in favor and the undersigned further certifies that the vote of each trustee was as shown above.

Adopted: 10/7, 2020

  
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President