

## **SUNSET PARK CONDOMINIUMS ASSOCIATION** **ASSESSMENT COLLECTION PROCEDURES**

THESE RULES, entitled "Assessment Collection Procedures," are adopted this 28 day of June, 2011, by the Board of Managers of Sunset Park Condominiums Association ("Association").

WHEREAS, the Condominium exists under the Missouri Uniform Condominium Act, Sections 448.1-101 to 448.4-120, RSMo. ("Act"), by virtue of the "Declaration of Condominium Ownership and By-Laws" as recorded September 27, 1984 in Book 7670, Page 1480 of the records of St. Louis County, Missouri, as amended ("Declaration"); and

WHEREAS, the Association is the unit owners association of the Condominium, is organized as a Missouri nonprofit corporation, and is administered under its By-Laws which are part of the Declaration; and

WHEREAS, the Association is authorized, pursuant to Sections 448.3-102.1(2), 448.3-115 and 448.3-116 of the Act, and Article Seventeen of the Declaration and Article Twenty-Five of the By-Laws, to prepare the annual budget, to levy and collect assessments, and to exercise remedies for nonpayment; and

WHEREAS, the Association is authorized under Section 448.3-102.1(1) of the Act and Section 7(e) of Article Twenty-Three of the By-Laws to adopt reasonable rules and regulations for administration of the Association and collection of assessments; and

WHEREAS, the Board declares that assessments are the lifeblood of the Association, and therefore, deems it to be in the best interests of the Association to adopt efficient and effective procedures to collect delinquent accounts and minimize the loss of assessment revenue.

NOW, THEREFORE, BE IT RESOLVED that the following procedures for collection of assessments are hereby adopted:

**1. Preparation and Ratification of Budget.** The annual budget shall be adopted as follows:

(a) Preparation. The Board shall, not later than November 15 of each fiscal year, prepare a proposed annual budget for the forthcoming year. The budget shall include itemized common expenses, reserves for contingencies and replacements, the amount of the annual assessment and the monthly installment for each of the Units, and due date. The budget shall state the amount of late fees and rate of interest to be charged on delinquent accounts under Section 3(c) and 3(d) below.

(b) Ratification. The budget shall be ratified as follows: the Board shall provide a copy of its proposed budget and a notice of a meeting to be held within 14 days and 30 days after the date of the notice. Unless at this meeting a majority of all Owners (voting by their allocated interests) reject the budget, the budget is ratified. A quorum is not required. In the event the proposed budget is rejected, the prior budget shall continue until such time as a subsequent budget is ratified.

**2. Notice of Budget and Assessment.** The Board shall furnish a copy of the ratified annual budget to each Owner at least 15 days prior to the start of the new fiscal year.

**3. Collection Procedures.**

(a) The annual assessment may be paid in full on the first day of the year or by equal installments due on the first day of each month. Any payment of a monthly installment will be delinquent if not received at the close of business on the 10<sup>th</sup> day of the month. Any special assessment will be due and payable on the date set forth in the notice of such special assessment, and will be delinquent 10 days thereafter or such later date as may be stated in the notice.

(b) Payment of assessments must be made to the Association and mailed or delivered to the office of the Association's community manager or as otherwise directed by the Board.

(c) A late fee of \$25.00 will attach and be charged on any payment that is delinquent as authorized in Section 448.3-102.1(11) of the Act and Section 3 of Article Twenty-Five of the By-Laws. The amount of the late fee may be changed by the Board from time to time, and shall be stated in the annual budget.

(d) Interest on the principal amount due will attach and be charged on any payment that is delinquent at the rate of 12% per annum from the date due as authorized in Section 448.3-115.2 of the Act and Section C of Article Seventeen of the Declaration, and shall be stated in the annual budget.

(e) A late notice will be mailed when a payment becomes delinquent, i.e., 10 days after the date due. A form "First Late Notice" is attached as Exhibit "A."

(f) A second late notice will be mailed 30 days after the first notice. A form "Second Late Notice" is attached as Exhibit "B."

(g) The delinquent account will be referred to legal counsel if not paid, or if no arrangements for payment have been made, 60 days following the initial date due. Thereafter, all communications with the delinquent Owner will be through the attorney.

(h) The attorney will send a demand letter allowing 30 days for payment. If payment is not timely received, or arrangements made for payment within said 30 days, a notice of lien (in the form attached as Exhibit "C") may be recorded and suit commenced to collect the debt and/or to foreclose the lien, without further notice, as authorized by Section 448.3-116.1 of the Act and Section 9 of Article Twenty-Five of the By-Laws. In an appropriate case, the Board may waive the attorney's demand letter to the Owner. If an Eligible Mortgagee has requested a notice of a delinquency, the Board will advise the attorney who will provide such notice.

(i) All late fees and interest, attorney's fees, and other fees and costs as set forth in Section 5 below, and any unpaid fines as authorized in Section 448.3-116.1 of the Act, shall be included in the continuing lien against the unit and also be recoverable by suit. The lien shall not be released until all amounts owed are satisfied.

(j) The Board may obtain a title search to verify the names of each record Owner and legal description of the unit.

(k) The lien and suit shall include the Association's right to collect the remaining balance of the annual assessment and of any special assessment payable in installments pursuant to Section 448.3-116.1 of the Act.

(l) The Association's lien may be foreclosed by judicial proceeding or by publication ("power of sale") as provided in Section 448.3-116.1 of the Act. The lien has the priorities set forth in Section 448.3-116.2 of the Act.

(m) All ledgers, documentation, notices and correspondence to the delinquent Owner relating to the account will be mailed to the address which appears on the Board's records or to such other address as is designated in writing by an Owner.

(n) Upon 10 days' notice and payment of \$25.00, the Board will provide to a requesting Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing on the account.

(o) Non-receipt of the budget, notice of assessment, payment envelope or late notices does not relieve the Owner of the obligation to pay the amount due in full.

(p) No Owner may withhold payment by non-use of the common elements, abandonment of the unit, claims of set-off or any claim against the Association, Board, any Director or officer, or a third party.

(q) In the event any Owner, in any fiscal year, incurs two or more returned checks for payment of assessments, the Board may require all future payments to be made by certified check or money order for the next six months.

(r) The Board may, in its discretion, grant a waiver of late fees, interest and other charges upon written request by an Owner: (1) based on a personal hardship and received within 10 days after the date due; or (2) if the delinquent Owner has owned the unit for less than two months at the time of the delinquency and the delinquency was the result of a reasonable misunderstanding of the correct procedures relative to payment of the assessment. The waiver in (2) of the preceding sentence may be granted only once to any delinquent Owner. Relief under this provision shall be in writing and signed by the Owner and authorized officer of the Board.

**4. Member in Good Standing.** Any Owner who, for a continuous period of 60 days or more, has failed to pay any assessment or any installment thereof, or any late fees, interest, or costs and attorney's fees as set forth in Section 5 below, shall be deemed to forfeit his status as a member in good standing, and the following privileges will be withdrawn until all amounts owed are paid in full: being a candidate or serving as Director, and using any recreation facilities.

**5. Costs, Fees.** Any expense of the Association, including but not limited to court costs, lien preparation and recording charges (including a release of lien), management fees, administrative expenses, fees for title search, returned check charges, attorney's fees (regardless of whether legal action was commenced or lien was recorded) and any other expenses incurred in the enforcement of these Rules, shall be assessed against the delinquent Owner, and shall be part of the continuing lien against the unit. These expenses shall be collectible in an action against the Owner personally and/or in a lien and foreclosure action against the Owner.

**6. Accounting.** Any part payment on a delinquent account shall be credited in the following order of priority:

- (a) Costs incurred, such as recording fees and title search.
- (b) Attorney's fees.
- (c) Management, accounting, and other professional fees.
- (d) Administrative costs and other charges incurred.
- (e) Late charges accrued.
- (f) Interest charges accrued.
- (g) Oldest portion of the annual assessment.
- (h) Oldest portion of any special assessment.
- (i) Remaining unpaid balance of annual assessment.



(j) Other: \_\_\_\_\_.

7. **Voluntary Resolution.** The Board encourages voluntary arrangements to pay delinquencies with minimum necessity for legal services and expenses. A form Agreement for this purpose is attached as Exhibit "D."

8. **Supplemental.** These Rules shall supplement any other remedies available to the Board under the Act, Declaration, and By-Laws, and supersede any other rules adopted by the Board with respect to the same subject matter.

9. **Execution.** The President and Secretary of the Board are authorized to execute these Rules upon approval by the Board.

10. **Effective Date.** These rules shall be published to all Owners, shall be effective on the date set forth on page 1 which shall be at least 30 days after said publication, and shall be applicable to assessments or installments thereof due after said date.

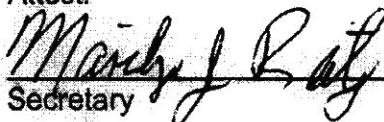
IN WITNESS WHEREOF, the Board of Managers of Sunset Park Condominiums Association, by its duly authorized officers, has adopted the foregoing rules on the date and year first above written.

BOARD OF MANAGERS  
SUNSET PARK CONDOMINIUMS ASSOCIATION,  
a Missouri nonprofit corporation

By:

  
President

Attest:

  
Secretary