



**KINGSTOWNE RESIDENTIAL OWNERS CORPORATION
ADMINISTRATIVE RESOLUTION NO. 12-26**

(Management of Major Delinquent Assessment Accounts)

WHEREAS, the Board deems it to be in the best interest of the Corporation to adopt certain guidelines under which the Corporation's counsel can manage the Corporation's delinquent assessment accounts.

NOW, THEREFORE, be it resolved that the Board does hereby adopt the following policies and procedures:

I. GENERAL TERMS

- A. In all cases that do not fall squarely within the provisions of this Resolution, counsel shall refer the case to the Financial Advisory Committee for review and decision, when necessary.
- B. Whenever the Corporation's counsel believes that the circumstances justify the action, counsel may still refer accounts to the Committee for review and decision even if the management of the account appears to be specifically addressed by the provisions of this Resolution.
- C. This Resolution expresses the general policies and procedures that the Committee and the Corporation's counsel shall follow; however, whenever the unique circumstances of a case require the Committee to amend a policy or procedure stated herein in order to serve the best interests of the Corporation, the Committee reserves the right to do so, upon the advice of counsel.

II. PAYMENT PLANS

- A. The Corporation's counsel may unilaterally approve payment plans with delinquent members, so long as:
 - 1. Payment plans do not extend longer than three months; or
 - 2. If payment plans extend longer than three months, they are secured by either a judgment, confessed judgment promissory note, a settlement order, or some additional form of legal security and last no longer than eighteen months.
- B. The Corporation's counsel must obtain the review and decision of the Committee for any payment plans that are not explicitly addressed by Section II (A) of this Resolution, particularly any payment plans that include a request for a waiver of any portion of the

balance due to the Corporation not otherwise within the discretion of counsel to grant, as stated herein.

- C. Whenever the Corporation's counsel approves of a payment plan as described in Article II, Section A (2), of this Resolution, and the requesting member has remitted his first payment under the plan, as well as the executed security instrument, the Corporation's counsel shall advise the management staff of the Corporation to reinstate the member's membership privileges and the management staff shall take all necessary actions to do so. Whenever an owner defaults on an agreed upon payment plan, membership privileges are immediately revoked until the debt is completely paid. The Corporation's management staff shall advise the Committee in writing before or at its next meeting of any such defaults.
- D. Whenever the Corporation's counsel approves of a payment plan as described in Article II, Section A (2), of this Resolution, a condition of such approval must be the consent of the applicable member to pay all legal fees and costs related to preparation of the legal documentation related to the requested payment plan.

III. WAIVER REQUESTS

- A. The Corporation's counsel shall have the discretion to de-accelerate an account, provided that the member remits payment of all other assessments, late fees, other charges, legal fees, costs and interest that are due on the account.
- B. The Corporation's counsel shall have the discretion upon the request of a member to waive accrued judgment interest and/or half of the late fees claimed due on an account, provided the member remits payment of all assessments other charges, legal fees, and costs that are due on the account, without a payment plan.
- C. All other waiver requests that do not fall within the Corporation's counsel discretion to grant shall be referred to the Committee for review and a decision.

IV. LAWSUITS

- A. The Committee authorizes counsel to file lawsuits to collect unpaid assessments and other charges against members under the following conditions:
 - 1. If the total balance related to unpaid un-accelerated assessments and late fees, totals at least \$1,000.00; ***and***
 - 2. If counsel has already recorded a memorandum of lien against the title of the property and notified the member in writing of the action taken.

V. FORECLOSED LOTS AND BANKRUPTCY DISCHARGES

- A. The Committee authorizes counsel to only issue demand letters to the member at their last known address, and report a debt to the major credit bureau, but take no further action on a particular account or debt, under the following conditions:
1. If a Lot has been the subject of a foreclosure; ***and***
 2. The remaining pre-foreclosure assessment and late fee balance is equal to or above \$400.00 and under \$1,000.00;
- B. The Committee authorizes counsel to issue a demand letter to the member at their last known address, file a lawsuit, or proceed with any available post-judgment action on a particular account or debt, under the following conditions:
1. If a Lot has been the subject of a foreclosure; ***and***
 2. The remaining pre-foreclosure assessment and late fee balance is \$1,000.00 or more; ***and***
 3. The Corporation has verifiable asset information for the member; ***or***
 4. The Corporation's counsel has cause to believe it has valid address information for the member.
- C. The Committee authorizes counsel to take ***no*** further action on a particular account under the following conditions:
1. If a Lot has been the subject of a foreclosure; ***and***
 2. If the remaining pre-foreclosure assessment and late fee balance is under \$400.00.
- D. The Committee authorizes counsel to take no further action to collect debt that is subject to an Order of Discharge from any U.S. Bankruptcy Court, but requests counsel to provide notification to the Committee and management staff of such Orders of Discharge and the related accounting adjustments that are needed by the Corporation in order to reflect the Court's decision to discharge the debtor's obligation to pay the debt. Counsel will provide such notifications via electronic mail and within the Corporation's monthly advisory reports prepared by counsel.


This Resolution shall apply to all assessment accounts that are delinquent at the time this Resolution is adopted and to any account which becomes delinquent subsequent to the adoption of this Resolution.

This Resolution shall be reviewed by the Financial Advisory Committee every two years.

The Effective date of this Resolution shall be 11/1/21.

I hereby certify that this Administration Resolution was duly adopted by the Board of Trustees at a regular meeting on October 6, 2021.

KINGSTOWNE RESIDENTIAL OWNERS CORPORATION

By: 
Michael Lamarche, President

Policy Name	Number	Approved	Revised
Management of Major Delinquent Assessment Accounts (increased counsel authority on secured repayment plans)	21-26	October 6, 2021	
Management of Major Delinquent Assessment Accounts	12-26	June 6, 2012	October 6, 2021