



Robert McCorkle

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Fiduciary Duties

1.) Duty of Good Faith

2.) Duty of Care

-Business Judgment Rule

Standards of Conduct

O.C.G.A. 14-3-830 Standards of Conduct for Directors.

Unless a different standard is prescribed by law:

- (1) A director shall discharge his or her duties as a director, including his or her duties as a member of a committee:
 - (a) In a manner the director believes in good faith to be in the best interests of the corporation; and
 - (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances;

- (2) In discharging his or her duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:
 - (a) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
 - (b) Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence.

Board Responsibilities

- 1.) Enforce the Governing Documents
- 2.) Maintain the Common Area
- 3.) Collect Assessments
- 4.) Take heat from Owners (unofficial)

Governing Documents

- Declaration
- Plat/Plans or Subdivision Plats
- Articles of Incorporation/Bylaws
- Rules and Regulations

Assessments

- Budget
 - Set Every Year
 - Include reserves
 - Board to pass the budget
 - Unless otherwise stated in the declaration, this should be by vote of the **board of directors**.

Collection

- Set a plan in writing and circulate to owners
- Acceleration provisions in declaration
- Liens
- Fair Debt Collection Practices Act – Applicable to management companies attempting to collect past due assessments

As all [Condominium Name] Unit Owners are aware, the Association operates on a close and conservative budget, attempting to keep the dues within reasonable limits to handle the care and maintenance of our Condominium property. The Association is a non-profit entity and there is no room for shortfalls. In order for the Board of Directors of the Association to fulfill its responsibilities, we must all pay our assessments in full in a timely manner.

While assessment collection has not been a major problem in the past, as of late, we seem to be having collection problems. In an attempt to alleviate these problems, the Board of Directors has adopted a policy to strictly enforce the provisions of the Covenants with regard to delinquent assessments. Therefore, effective January 1, 2014, the Board of Directors will enforce the following procedures for collecting assessments, all of which are provided for in our Covenants:

1. Annual assessments are payable on a monthly basis and are due on the first (1st) day of each month.
2. If any monthly installment is not received by the 5th of the month, a \$10.00 late charge shall be assessed and interest will accrue on the delinquent amount from the 1st day of the month at a rate of _____% per annum. [If partial payment is made, then the late charge equal to the greater of \$10.00 or 10% of the delinquent amount will be assessed.]
3. If an Owner misses 2 consecutive monthly installments, the Board will accelerate and declare immediately due all installments of the annual assessment and any special assessments due for the applicable fiscal year. Upon acceleration, that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year. The Board or its legal counsel will promptly demand payment for the accelerated amount. If such payment is not made within thirty (30) days, the Board's legal counsel will institute a suit against the delinquent Owner to collect all amounts due, including all costs, expenses of collection and reasonable attorneys' fees incurred by the Association.
4. Pursuant to the Georgia Condominium Act, all assessments, late charges, interest, collection costs (including reasonable attorneys' fees) are the personal obligation of the Owner and constitute a continuing lien on the delinquent Owner's unit in favor of the Association. There is no requirement that the Board file a lien, as the Covenants act as a continuing lien in favor of the Association. In the event the amount of the past due assessments and lien is at least \$2000.00, the Association through its legal counsel, upon thirty (30) days notice, may foreclose the lien.

The Board would like to remind the Owners that pursuant to O.C.G.A. § 40-3-80(d), **no Unit Owner shall be exempted from any liability for assessments "for any reason whatsoever, including, without limitation, abandonment, non-use or a waiver of the use or enjoyment of his unit or any part of the common elements."**

We do not take these steps lightly, however, we are duty bound by our Covenants, Bylaws and the Georgia Condominium Act to collect all assessments levied. If we fail to do so, the only result is that the non-delinquent Owners be forced to pay the assessments of those who are delinquent. We are hopeful that these policies will resolve all delinquency issues prevent this from happening.

If you are currently past due, you have until 10 days from the date of this letter to make all payments to become current. Beginning January 1, 2014, these policies will be strictly enforced.

Heat Shields

- Property Manager
- Association Attorney
- Insurance Agent

(Business Judgment Rule)



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