

Orchard Villa Townhomes Homeowners Association Collection Policy – Resolution #4

WHEREAS, Article II Section 1 of the By-laws of the Orchard Villa Townhomes Homeowners Association grants power to the Board of Trustees to conduct Association business, and Article IV of the Articles of Incorporation and Article IV of the Declaration and Article V of the Bylaws grants the authority to levy assessments against owners. And because the Association's economic well-being relies on the timely payment of assessments and other allowable charges. And because it is the Board's duty to use its best efforts to collect funds owed to the Association,

LET IT BE RESOLVED THAT these collection procedures shall be followed:

1. **AMOUNTS PAYABLE TO THE ASSOCIATION** include, but are not limited to, regular assessments, special assessments, rules enforcement fees, repairs to the common area that are an owner's responsibility, legal fees and other costs associated with collection of funds on behalf of the Association.
2. **PAYMENT SCHEDULE.** The regular assessment is payable in advance on the first of each month. Fees not received or postmarked by the tenth of the month will be considered past due.
3. **LATE FEES, NSF & INTEREST CHARGES.**
 - A late fee of \$10 shall be charged monthly on all delinquent balances.
 - A \$25 NSF (Non-Sufficient Funds) charge will apply to any returned check.
 - Any balance older than 30 days will incur an interest charge of 1.25 % per Month (15% per annum) until paid.
4. **ORDER OF CREDITING PAYMENTS.** Payments received shall be first applied to assessments owed, then to late charges, interest, or collection expenses.
5. **PROCESS FOR DELINQUENCY NOTIFICATION.** For all balances exceeding \$50.00 that are thirty (30) days past due, the following notification process applies.
 - **FIRST NOTICE.** First Notice of Past Due Charges including detail of assessments, late fees, NSF charges, interest and other charges that apply will be sent by First Class Mail to an owner whose balance is thirty (30) days past due.
 - **SECOND NOTICE.** Second Notice of Past Due Charges including detail of assessments, late fees, NSF charges, interest and other charges that apply will be sent by First Class Registered Mail to an owner whose balance is sixty (60) days past due.
 - **10 DAY DEMAND.** 10 Day Demand for Payment including detail of assessments, late fees, NSF charges and interest charges that apply will be sent by First Class Registered Mail to an owner whose balance is seventy five (75) days past due. This Notice will recite intent to turn the matter over to an attorney for collection enforcement if balance is not paid within 10 days and to file a lien against the owner's property. Attorney action includes but is not limited to filing a lien against the owner's property, a personal judgment against the owner and property foreclosure.

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6. **LEGAL SERVICES.** If a delinquent account is referred to an attorney for collection, the owner shall be charged the Association's reasonable attorney fees and related costs.
7. **OTHER CHARGES.** The Association will charge the owner for any or all of items listed below:
 - Enforcement of the Association's Rules, Bylaws, Declaration or Policies
 - Repairs to the Association's common areas that result from the acts of owners, their tenants or guests.
 - Costs of litigation
 - Foreclosure action or deed in lieu of foreclosure,
 - Notification, filing and satisfying liens,
8. **DEBT COLLECTION OPTIONS.** In order to collect a debt owed to the homeowner's association by a member, any or all of the following options will be invoked to satisfy that debt:
 - Suspension of voting rights.
 - Suspension of amenity privileges (pool, common area).
 - Collection of rents being generated by member's homeowner association unit or home.
 - Seizing of member's personal property.
 - Garnishment of member's wages.
 - Foreclosure of member's homeowner association unit or home.

Recorded in the Book of Minutes: _____, 2008

Date: _____, 2008

President – Board of Trustees