

Country Club Villas Owners Association

DELINQUENT ASSESSMENT COLLECTION POLICY

Article 3, Section E of the Declaration of Covenants, Conditions and Restrictions obligates the owners to pay the assessments, as established by the Board of Directors, and for the Board of Directors to take actions, such as sending notices and letters to collect any past due amounts. The Declaration and state laws also give the Board of Directors the right to assess late fees, penalties and costs of collection against homeowners who do not pay their assessments in a timely manner.

In order to establish a fair and consistent method for collecting past due and delinquent assessment payment from homeowners, the following policy will be followed:

MONTHLY ASSESSMENTS

Monthly Association dues are due on the first day of each month. A 10 day grace period is allowed before payments are considered “late” and a \$10.00 late fee is charged. Payments are always applied to the oldest amount outstanding, meaning, additional late fees will be charged in the current month if homeowners fall behind in payment of their monthly assessments.

COLLECTION STEPS

1. First Month. After 10 days, if payment has not been received, a late fee of \$25.00 is charged and a Late Notice letter is sent to inform the homeowner that they have missed a payment and requesting immediate payment to avoid further late fees and collection action. This notice is to be sent by first class mail unless the owner has opted in to receive email for Notices and Letters, in which case, the email would be sent with a return receipt requested.
2. Second Month. On the 10th of the month, if the previous month’s assessment has not been paid, making the owner now 2 months past due, a \$50.00 late fee is charged to the homeowner. A first warning letter is sent reminding the owner of the obligation to pay monthly assessments and warning that legal action may be initiated for continued non-payment if full payment of all past due balances and late fees is not received within 30 days.

Likewise, a first warning letter will be sent to any owner who has failed to pay their assessments in full, in a timely manner, for 2 consecutive months, even if payment of one of those months has been received.

3. Third Month. On the 10th of the month, if the previous 2 months' assessment have not been paid, making the owner now 3 months past due, another \$25.00 late fee is charged to the homeowner. A second warning letter is sent reminding the owner of the obligation to pay monthly assessments and advising the owner that legal action will be initiated for continued non-payment if full payment of all past due assessments and late fees is not received in the next 30 days.

Likewise, a second warning letter will be sent to any owner who has failed to pay their assessments in full, in a timely manner, for 3 consecutive months, even if payment of one of those months has been received. The letter will warn that if not paid in full, the account will be referred to the community's attorney to commence legal collection action which may include, but will be limited to, filing of a lien against the home which could lead to foreclosure and/or filing for a judgment with the intent to seize assets.

A copy of the filed lien and/or a copy of the filed judgment will be sent to the delinquent owner by the community's attorney.

The right of an Owner to pay the annual assessment in monthly installments is hereby made conditional on the prompt payment when due of such monthly installments. In the event of a default in the prompt payment of the monthly installments, the Board of Directors may, by written notice given to the default Owner, accelerate the entire unpaid portion of the annual assessment, whereupon the same shall become immediately due and payable (Section 3, Article I of the Declaration).

All contacts with the delinquent homeowner shall be handled through the Association's attorneys. Neither the Manager nor any Association officer or director shall discuss the collection of the account directly with homeowner after it has been turned over to the Association's attorneys unless one of the Association's attorneys is present or has consented to the contact.

All sums collected on a delinquent account shall be remitted to the Association in care of the Association's attorneys until the account has been brought current.

The Association's attorneys' minimum legal fee shall be assessed against each delinquent unit and its owner (including repeat offenders) when the account is turned over to the Association's attorneys for collection. That amount shall be credited against the fees and costs actually incurred in the collection of the homeowner's account. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit and owner and shall be collectable as an Assessment as provided in Article V, Section 4 of the bylaws.

Where at the expiration of the period specified in the Association's attorneys' demand letter, an account remains delinquent and without a payment plan embodied in a signed Stipulation for Judgement or a signed agreement by a homeowner to pay assessment, or in the event of a default under the terms of either agreement, the Association's attorneys are authorized to take such action as they, in consultation with the Board president, believe to be in the best interest of the Association, including but not limited to :

- a) Filing suit against the delinquent homeowner for money due pursuant to
- b) Instituting a nonjudicial action for foreclosure of the Association's lien,
- c) Filing a proof of claim in bankruptcy; or
- d) Instituting a judicial action for foreclosure of the Association's lien, pursuant and seeking the appointment of a receiver for the unit pursuant the bylaws.

That a copy of this resolution shall be sent to all homeowners at their last known addresses.

This resolution was adopted by the Board of Directors on _____,

And shall be effective on _____