

Orchard Villa Townhomes Homeowners Association Collection Policy

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 delinquent.

If paying monthly, each payment must be one-third of the quarterly assessment statement and the above rule applies as stated. Monthly payment plans must be requested and approved by the Board in advance.

3. **LATE FEES, NSF & INTEREST CHARGES.**

- A late fee of \$25/month shall be charged monthly on all past due and delinquent balances, beginning thirty (30) days after the original due date of the assessment, and applied until delinquent account is paid in full.
- A \$25 NSF (Non-Sufficient Funds) charge will apply to any returned check.

4. **ORDER OF CREDITING PAYMENTS.** Payments received shall be first applied to collection expenses (including attorney fees), then to late fees and interest, and thereafter to assessments (oldest first).

5. **PROCESS FOR DELINQUENCY NOTIFICATION.** For all balances exceeding \$50 that are thirty (30) days past due, the following notification process applies.

- **FIRST NOTICE.** At thirty-one (31) days past due, a second statement of account will be sent with a \$25 late fee added to each delinquent account without further notice to the owner whose balance is thirty (30) days past due. It may also include any NSF charges, interest and other charges that apply.
- **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 our intent to take further action, including turning the matter over to an attorney for collection enforcement if balance is not paid within 10 days and filing 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.

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, RV lot).
 - Filing a lien against the owner's property.
 - 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.