

HERITAGE GREENS COMMUNITY ASSOCIATION, INC.
COLLECTION POLICY

I. CURRENT PARTIES / RESOURCES INVOLVED IN THE PROCESS ARE:

- Board of Directors
- Property Management

II. LATE FEE POLICY

Assessments are payable bi-annually on January 1 and July 1 each year. Assessments not paid by the 10th day after the due date shall incur a Late Fee and Finance Charge. The Late Fee shall be the greater of \$25.00 per bi-annual installment or 5% of the bi-annual installment. Unpaid Assessments shall bear interest ("Finance Charge") at a rate of eighteen percent (18%) per annum.

III. REQUEST FOR WAIVERS OF LATE FEES AND INTEREST

- a. First Offense – If an owner pays off all Assessments owed and prior to sending the file to the attorney, then the Association Board authorizes the manager to waive the interest and late fees up to \$150 without prior consent of the Board. If the interest and late fees are more than \$150.00, any waiver must obtain Board approval.
- b. Second Offense - If an owner pays off all Assessments owed and prior to sending the file to the attorney, then the Association Board authorizes the manager to waive the interest and late fees incurred on the file up to \$150 without prior consent of the Board if the owner agrees to sign-up for auto-pay. If the interest and late fees are more than \$150.00, any waiver must obtain Board approval.

IV. COLLECTION PROCESS

Bi-annually, a Past Due List shall be generated and maintained by Property Management for owners who are delinquent in payment of the bi-annual Assessment and/or subsequent bi-annual Assessments. The following procedure and timeline shall apply to owners that did not pay Assessments:

a. Day 10 from the 1st Day a Bi-Annual Assessment is Due:

The Late Fee together with the Finance Charge, will be charged on the 10th day of non-payment. A Notice of Late Assessment letter shall be mailed to all addresses on file and emailed to the Owner providing a listing of the amounts owed to the Association. The late notice provides a thirty-day deadline to submit the past due amount.

b. Day 90 from the 1st Day a Bi-Annual Assessment is Due:

The Board of Directors, at a duly noticed Board meeting, may also suspend the Owner's right to use amenities and privileges and voting rights when the Owner's account is more than ninety (90) days delinquent. The Board must provide notice via mail or hand delivery to the Owner after the Board meeting where the Owner's rights have been suspended.

c. Day 20 from the 1st Day the 2nd Bi-Annual Assessment is Due:

Within 10 days the 2nd bi-annual Assessment is due, the Association will send a courtesy letter to the owner requesting payment for the 1st bi-annual assessment, 2nd bi-annual assessment, and the interest and late fees incurred from the unpaid 1st bi-annual assessment. If payment or payment arrangements are not received by the 20th day after the 1st Day the 2nd bi-annual Assessment is due, a file is prepared with a current ledger and sent to the Association attorney for implementation of the collections process. * Board approval is required before sending to Association attorney.

**c. Day 30 from the 1st Day the 2nd Bi-Annual Assessment is Due (Approximately):
Notice of Intent to Lien**

The Collection Attorney will serve the Owner with a notice that the Association will record a lien if the demanded amounts (including attorneys' fees and costs incurred in the collection efforts) are not paid within forty-five (45) days from the date of the written demand from the Collection Attorney.

**d. Day 75 from the 1st Day the 2nd Bi-Annual Assessment is Due (Approximately):
Notice of Intent to Foreclose**

The Collection Attorney is automatically authorized to record a claim of lien against the Lot and provide the Owner with a subsequent demand letter providing that the Association may foreclose its lien if the demanded amounts (including attorneys' fees and costs incurred in the collection efforts) are not paid within forty-five (45) days from the date of the written demand from the Collection Attorney.

Rent Garnishment: The Association may also garnish rent if the delinquent account has a known tenant.

Collection Process on Assessments							
Timeline	Late Fees/Charges assigned	Notice of Assessment letter sent	Deadline to submit past due assessment and/or latefees/charges	Board Action Required	Amenities Suspended	Send to Attorney	Garnish Rent if a Rental Property
Day 10 after 1st Bi-annual assessment due	Yes on Day 10	Yes and email on Day 10	30 days to submit	N	N	N	N
Day 90 after 1st Bi-annual assessment due		Yes if BOD votes to suspend amenities		Y	Requires BOD vote	N	N
Day 20 after 2nd Bi-annual assessment due	Interest charges continue to accrue from 1st assessment delinquency	Letter sent requesting payment on both 1st and 2nd assessments	1st and 2nd assessment must be paid in full by day 20 after 2nd assessment due	Y	Continue if voted to suspend after 1st assessment past due	Y	N
Day 30 after 2nd Bi-annual assessment due	Interest charges continue to accrue from 1st assessment delinquency	Attorney will send Notice of Intent to Lien	45 days after Attorney Letter sent	N	voted to suspend after 1st assessment past due	NA	Y
Day 75 after 2nd Bi-annual assessment due	Interest charges continue to accrue from 1st assessment delinquency	Attorney will send Notice of Intent to Foreclose	45 days after Attorney Letter sent	N	Continue if voted to suspend after 1st assessment	NA	Y

Waiver of Late Fees/Interest Against unpaid assessments				
Offense Number	Assessments Paid Up To Date	Waiver Decision (Y/N)	BOD Approval Required	Auto Pay Signup Needed
First Offense	Y	Fees/Interest <= \$150 - Yes to waive	N	N
	Y	Fees/Interest > \$150 - Yes to waive	Y	N
Second Offense	Y	Fees/Interest <= \$150	N	Y
	Y	Fees/Interest > \$150	Y	Y
**Note - If assessments are not paid up to date no waiver of late fees/charges is allowed.				