

Preston Falls Villas
Book of Resolutions Part 1., Item d.
Late Fee Collection Resolution
Approved 12/03/2019

1. Background

The Covenants, Conditions and Restrictions (CCRs) for Preston Falls Villas require that all Owner's pay assessments and in the case of default of payment of the assessment, the defaulting Owner shall be obligated to pay interest. This document defines the schedule and amount of interest (late payment) to be paid.

2. Policy

The policy below shall apply to all Preston Falls Villas Homeowner Association property owners who become delinquent in paying their assessments or late fees. Assessments are due on the first (1) of each month.

This Delinquency Policy allows a member (s) of the Preston Falls Villas Board, the HRW Financial or Community Manager (the Executor) to execute the collection proceedings against any homeowner that falls delinquent under this resolution.

If a property owner has not made the monthly assessment and/or late fee payment by the 1st day of the following month, the Homeowners is delinquent in dues or late fees, the Executor shall send a letter reminding them that their payment has not been received, and a late fee of \$20.00 has been assessed and will continue to accrue at a rate of \$20.00 each month until the assessment is paid.

Upon a property owner becoming **60 days'** delinquent in dues or late fees, the Executor shall send a second late notice

Upon a property owner becoming **90 days'** delinquent in dues or late fees, the Executor shall send a 15-day demand notice to the property owner: 1- informing the property owner of the amount of the delinquent dues and the time period the dues are delinquent: 2- late fees are assessed, the current amount of late fees, and the rate late fees will continue to be assessed: 3- the referenced account is being referred to the Association Attorney for collection. And notice that an administrative fee of \$45.00 will be charged to the homeowner for the letter.

The Board of Directors will allow the Executor to use good judgment to negotiate, establish, and accept payment plans from owners in lieu of legal action. Any owner negligent in making payments as planned will be considered delinquent from the initial time the assessment was due and the Executor may proceed with legal action without further warning notices. An administrative fee of \$30.00 will be charged to the homeowner for the implementation of a payment plan arrangement for a Homeowner.

Upon property owner becoming **105 days'** delinquent in dues or late fees, the Executor shall turn the account over to the Attorney acting on behalf of the Homeowners Association. A letter will be sent to the homeowner by the Attorney advising him or her of the outstanding balance and notifying him or her that a lien will be filed unless the account is paid in full or the homeowner contacts the Attorney within ten days to establish a payment plan. If the Homeowner does neither, a lien will be filed.

Once an account is referred to the attorney, all payments and correspondence will be directed through the attorney. The property owner will be responsible for all assessments, late fees and legal fees. Any

payment received is first applied to legal fees incurred, late fees and fines, and then applied to the outstanding assessment balance.

Approximately ten days later, if there still has been no payment or contact with the attorney, a NOTICE OF INTENT TO FORECLOSE will be sent at the direction of the Preston Falls Villas Board. If the homeowner fails to contact the Attorney, foreclosure proceedings may be initiated at the direction of the Board.

Upon receiving direction from the Preston Falls Villas Board of Directors, the Executor shall initiate foreclosure proceedings on behalf of the Preston Falls Villas Homeowners Association in accordance with Article V, Section 9. of the Master Declaration of Covenants Conditions and Restrictions for Preston Falls Villas Subdivision.

The Board of Directors, typically upon recommendation from the Executor, will determine any further action necessary for collecting assessments, late fees and attorney fees for all accounts over 4 months or \$900.00 delinquent. Possible alternatives include initiating an action for a small claims court judgment, or initiating foreclosure on the property.

Upon request from a Homeowner, the Preston Falls Villas Board of Directors may waive late fees based on reasonable cause and only after all delinquent dues are paid in full.

Any adjustments, exemptions, or exceptions to this policy will be from formal vote of the Board of Directors.