

# **HERITAGE OF HAWK RIDGE COMMUNITY ASSOCIATION**

## **ASSESSMENT COLLECTION POLICY**

Adopted by the Board of Directors on June 15, 2021

The Association is empowered to enforce the Declaration of Covenants, Conditions, and Restrictions, Bylaws, and any Rules and Regulations promulgated by the Association pursuant to the Declaration, as adopted and amended from time to time (collectively, the “Documents”), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Declaration.

The Board hereby certifies the following Collection Policy to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Documents:

### **SECTION 1**

#### **DELINQUENCIES, LATE CHARGES & INTEREST**

1 - A. Any assessment not paid within ten (10) days after the due date, which is the first day of each calendar month, shall incur a late charge as established by the Board of Directors. The Board of Directors may set the amount of the late charge, currently \$15 per month, and may amend the amount from time to time as the Board sees fit.

1 - B. If the assessment is not paid in full when due, the Board may direct that letters are set to the owner seeking to collect the balance due, including all late fees. The Board may add an additional charge for each collection letter sent by its management company, currently \$25 per letter, and may additionally assess interest at the rate of 18% per annum or the highest rate allowed by law.

1 - C. In addition, if the assessment is not paid in full when due, the Board may direct its attorney to take steps to collect the balance due. See Section 3 – B. for specifics on Collection by an Attorney.

1 - D. The Association may levy a charge of \$25, to be adjusted at the Board’s discretion, for any check returned to the Association marked “not sufficient funds” or the equivalent.

### **SECTION 2**

#### **PAYMENTS**

2 - A. Payment Plans – The Association may determine the actual term of each payment plan offered to an Owner. At the discretion of the Board, the Board may deny an Owner the opportunity to enter into a payment plan, including if the Owner has defaulted on a previous payment plan.

2 - B. Form of Payment – The Association may require that payment of delinquent Assessments be made only in the form of cashier’s check or certified funds.

2 - C. Partial and Conditioned Payment – The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or

directions. The Association's endorsement and deposit of a payment does not constitute acceptance. The acceptance, by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

2 - D. Waiver – Properly levied collection costs, late fees, attorney's fees, and interest may only be waived by the Board.

2 - E. Release of Lien – Owners are responsible for prepayment of the attorney's fees and costs related to preparing and recording a release of lien.

### SECTION 3

#### COLLECTION COSTS / PROCEDURES

3 - A. Collection Costs/Procedure – Amounts payable to Association include, but are not limited to regular monthly assessments, special assessments, rules enforcement fines and fees, repairs to common areas that are an owner's responsibility, legal fees, and other costs associated with the collection of funds on behalf of the Association. At the discretion of the Board, payments received may be applied towards the oldest balance due item first, then late charges, interest, or collection expenses, and then to current assessments.

3 - B. Collection by Attorney – At the Board's discretion, delinquent accounts may be sent to the Association's attorney for collection at any time. The attorney's actions may include, but are not limited to:

1. Initial Demand Letter for Payment
2. Notice of Lien
3. Foreclosure of Lien
4. Lawsuit to Collect Balance Due; Foreclosure of Lien
5. The Association, through its attorney, may pursue other legal action in its discretion.

3 - C. Suspension of Use of Certain Facilities or Services – The Board may suspend the use of the Common Area amenities by an Owner, or his Occupant, whose account with the Association is delinquent for at least sixty (60) days.

3 - D. Suspension of Right to Vote – The Board may also suspend an Owner's right to vote whose account with the Association is delinquent for at least sixty (60) days.

**Amendment of Policy – This policy may be amended from time to time by the Board.**