

SECOND AMENDED MAINTENANCE FEES/ COLLECTION POLICY

1. Application of Assessments, Charges, Fines and Fees.

For purposes of calculating an Owner's account balance with the Association, payments received from owners will be applied in the following order:

- a. Delinquent assessments; then
- b. Current assessment; then
- c. Attorney or third party collection service fees solely related to the delinquency; then
- d. Any other attorney's fees on the account; then
- e. Fines levied by the Association pursuant to the governing documents; then
- f. Any other items owed by the Owner.

2. Maintenance Assessment Due Date; Late Charges.

All annual assessments and related charges are due in full on the 1st day of January and are deemed delinquent if not received in the management office within thirty (30) days. All special assessments are due in full within thirty (30) days of receipt unless a specified payment plan is offered. Penalties and interest will be posted against delinquent accounts for all assessments and related charges deemed delinquent.

All delinquent assessment, dues and related charges will incur a one-time collection fee in the amount of sixty-five dollars (\$65.00).

All assessment account balances, which shall include any applicable late fee charges and attorney's fees, shall bear interest at a rate of twelve percent (12%) per annum, or such higher rate, if any, permitted by law from the date originally due until paid.

3. Notices of Account Delinquencies

All Owners whose accounts with the Association are delinquent shall receive a Notice, in writing, specifying each delinquent amount and a total balance required to bring the account current. Said Notice shall also describe the Owner's options to avoid further collection efforts, such as the availability of a payment plan. Each Notice shall advise the Owner of its opportunity to cure default within thirty (30) days, and shall be sent to the Owner by U. S. Certified Mail, Return Receipt Requested.

4. Collection by Association's Attorney. Any assessment remaining unpaid for ninety (90) days or any account accruing five hundred dollars (\$500.00) or more in assessments, late charges, fines, collection charges,

and attorney fees shall be turned over to the Association's attorney for collection.

All attorney fees, court costs, and other related expenses for collection incurred through either the Management Agent or the Association's attorney shall be charged back to the owner, whose failure to timely pay the assessment or related charges caused the expenditure of funds. All such charges shall be added to the amount of the assessments.

5. **Payment Plans**

a. Availability. Payment plans are available for pre-payment to an Owner whose account with the Association is delinquent. However, the Association may deny an Owner the option of entering into a payment plan if that Owner has breached a payment plan within the previous two (2) years. All pre-payment plans will be automatically approved.

b. General Terms. Upon entering into an acceptable payment plan, an Owner may make partial payments to cure its account delinquency without accruing additional penalties, although reasonable costs incurred by the Association in administering such payment plans may be charged, as well as interest accruing on the Owner's account balance. Payments received under the payment plan shall be applied pursuant to ¶ 1, *supra*.

c. Attorneys and Property Manager Authorized to Enter Into Payment Plans. At all times during the collection process, the Association's legal counsel is authorized to enter into reasonable arrangements with Owners in an attempt to collect the obligation owed to the Association. In the absence of a reasonable payment schedule, or full payment of the assessment account, the Association attorneys and property manager are instructed to complete the entire collection process automatically.

Given that collecting maintenance assessments is more of an art than a science, reasonable latitude is necessary to allow the Association's attorneys' experience in collecting this type of debt to be fully utilized for the benefit of both the Association as a whole, and the individual owners.

Therefore, the Association's attorneys are authorized to enter into a payment plan without Board approval. However, the Association's counsel shall strive, excepting special circumstances, to have homeowners enter into payment plans in conformance with the following:

1. One-third (1/3) down payment and two other payments of one-third (1/3) of the balance.
2. The payment plan will strive to conclude within three (3) months. However, homestead owner plans may be extended, if reasonable, to achieve approximately a \$500.00 per month cap.
3. If a payment plan is breached, an owner may be allowed a second payment plan on a showing of good faith or deposit of a substantial down payment. However, the Association's attorneys are not required to offer second payment plans, and on breach, may reinstitute the collection process.

If the proposed payment plan exceeds three (3) months, the Board of Directors or the Property Manager will generally be requested to approve the payment plan.

6. If arrangements have not been made by the owner to pay the account by the foreclosure day, the property shall be foreclosed and sold at foreclosure sale. The Association shall bid at such sale by and through its attorney to complete the sale in accordance with the law.
7. Upon case by case approval of the Board of Directors, the Association's attorney will be authorized to file a deficiency suit against the owners whose units have been foreclosed, but who still owe a balance of assessments to the Association.
8. This Policy, adopted by the Board of Directors, shall apply to all collections.