

**Cherry Lake Homeowners Association
Administrative Resolution # 1
Collection Policy**

WHEREAS, **Article VII, Section 1-a** of the By-Laws of the Cherry Lake Homeowners Association grants power to the Board of Directors to conduct Association business, and **Article VII, Section 1-e** of the By-Laws grants the authority to levy assessments against owners. Moreover, because the Associations' economic well-being relies on the timely payment of assessments and other allowable charges. And because it is the Board's duty to use its best efforts to collect funds owed to the Association,

LET IT BE RESOLVED THAT these collection procedures shall be followed:

- 1. AMOUNTS PAYABLE TO THE ASSOCIATION** include, but are not limited to, regular assessments, special assessments, rules enforcement fees, legal fees and other costs associated with collection of funds on behalf of the Association.
- 2. PAYMENT SCHEDULE.** The annual assessment is payable in advance by **30th of April** of each year. Fees not received or postmarked by the **30th of April** will be considered past due.
- 3. LATE FEES, NSF & INTEREST CHARGES.**
 - A late fee of 10% shall be charged monthly on all delinquent balances.
 - A \$25.00 NSF (Non-Sufficient Funds) charge will apply to any returned check.
 - Any balance older than 30 days will incur an interest charge of 12% per annum (\$.03/day) until paid.
- 4. ORDER OF CREDITING PAYMENTS.** Payments received shall be first applied to assessments owed, then to late charges, interest, or collection expenses.
- 5. PROCESS FOR DELINQUENCY NOTIFICATION.** For all balances exceeding \$40.00 that are thirty (30) past due, the following notification process applies:
 - **FIRST NOTICE.** First 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 Mail to an owner whose balance is thirty (30) days past due.
 - **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 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 Mail to an owner whose balance is seventy five (75) days past due. This Notice will recite intent to turn the matter over to an attorney for collection enforcement if balance is not paid within 10 days. Attorney actions include but 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 may charge the owner for:
 - Owner bankruptcy,
 - Foreclosure action or deed in lieu of foreclosure,
 - Notification, filing and satisfying liens,
 - Enforcement of the Association's Rules, Bylaws, Declaration or Policies,
 - Costs of litigation

Recorded in the Book of Minutes: April 16, 2003

Date: April 16, 2003



Skip Donnell
President, Cherry Lake Homeowners Association Board of Directors