

Wendell Falls Community Association, Inc.
COLLECTION POLICY

I. DEFINITIONS

UNIT OWNER: The legal owner or co-owners of a unit in Wendell Falls Community Association, Inc. Also referred to as a Member in the Declaration of Covenants, Conditions, and Restrictions for Wendell Falls Community Association, Inc.

MANAGEMENT COMPANY: The Property Management Company (i.e.; CCMC) contracted by Wendell Falls Community Association, Inc. to handle its business affairs.

II. CHARGES

A. Authority

The authority for Wendell Falls Community Association, Inc. to assess late fees and penalties for late payment of assessments is granted under Article 8, Section 6 of the Declaration for Wendell Falls Community Association, Inc.

B. Late Charge

1. Any Assessment not paid within 30 days of its due date will incur a Late Charge of \$20.00 payable to Wendell Falls Community Association Inc. plus an Administrative Fee of \$20.00. These charges shall accrue on any assessment not paid within 30 days of its due date.

C. Interest

1. Interest will begin to accrue on any unpaid assessment on the date that is 30 days after the due date for such assessment. Interest will be payable to Wendell Falls Community Association, Inc. and will accrue at the rate of ten percent (10%) per annum, compounded monthly, on the unpaid assessments and any outstanding Late Charges.
2. Wendell Falls Community Association Inc. Board of Directors, at its discretion and upon receipt of a written request from the Unit Owner, may waive any Late Charge and/or accrued interest. Those amounts will be waived only after the Board has received confirmation that the Unit Owner's account balance has otherwise been paid in full. Late Charges and/or interest will only be waived one time for any Unit Owner; any subsequent late charges incurred by that Unit owner will not be waived.

III. COLLECTION POLICY

A. General Provisions:

1. All assessments shall be received by or before the due date. Payments received more than 30 days after the due date will be assessed a Late Charge and Interest as described above.
2. A Unit Owner may stop the collection process at any time by paying his/her delinquent balance in full or upon an approved payment plan. The Unit Owner may contact the Management Company at any time prior to the assignment of an account to legal counsel, but the collection process will only stop with payment in full or by an approved payment plan. The Board of Directors has no obligation to accept or otherwise agree to any payment plan requests made by a Unit Owner.
3. Payment plans will be considered only in cases of hardship, such as loss of employment, or if otherwise permitted by the Board. Any periodic payments made on a plan shall be made by bank draft only. Unit Owners paying according to a payment schedule will not be assessed Late Charges by Wendell Falls Community Association, Inc. A non-refundable Administrative Fee will also be charged for all approved Payment Plans.
4. All Payments received will be applied to any Late Charges, fines, interest and/or other fees owed on the account before being posted toward any assessment balance. Collections and additional Late Charges will begin once the Unit Owner's account balance is greater than \$250 past due.

B. STEP 1: Reminder Notice (D1)

If the account is delinquent 30 days after the due date, the Management Company will send a reminder notice (D1) to the Unit Owner charging the Unit Owner's account a \$20 Administrative Fee in addition to any applicable Late Charges and/or interest.

C. STEP 2: Certified Letter (D2)

The Management Company will send a Certified Letter (D2) to the Unit Owner 30 days after the D1 (outlined above) and will charge the Unit Owner's account a \$35.00 Administrative Fee in addition to any applicable Late Charges and/or interest.

D. STEP 3: Pre-Lien Notice (15)

Fifteen (15) days after the mailing of a Certified Letter (D2) to the Unit Owner, the Management Company will send a pre-lien notice to the Unit Owner. The pre-lien letter will inform the Unit Owner that they have fifteen (15) days to remit payment in full before incurring any attorney fees and/or court costs. Upon the mailing of the Pre-Lien Notice, the Unit Owner's account will be charged a \$20.00 Administrative Fee for the cost of collection in addition to any applicable Late Charges and/or interest.

E. STEP 4: Lien Request (LR)

1. If the outstanding balance of a delinquent account is not paid by the date specified on the Pre-Lien Notice (as described in Step 3 above) and the past due amount is \$250 or greater, a lien request is made to the attorney for Wendell Falls Community Association, Inc. A \$35.00 Administrative Fee for the cost of collection will be charged to the Unit Owner's account in addition to any applicable Late Charges and/or interest. Amenity rights will be turned off to all owners whose accounts are delinquent 90 days.

2. Once the account is turned over to an attorney, the Management Company will no longer have direct contact with the Unit Owner. The Unit Owner (or their counsel) must contact the attorney directly until the Unit Owner's account with the Wendell Falls Community Association, Inc. is again fully current and in goodstanding.

F. STEP 5: Lien Filing

The attorney will file a claim of lien on the property and will send a demand letter and copy of the lien to the Unit Owner, demanding payment in full within thirty (30) business days and advising that if payment is not made within the specified thirty (30) day period, foreclosure or other enforcement proceedings may begin. All legal fees and court costs incurred by the Wendell Falls Community Association, Inc. shall be the recovered from the delinquent Unit Owner.

G. STEP 6: Foreclosure

Thirty (30) days after the claim of lien is filed, the Board of Directors may approve and authorize the attorney to begin proceedings to foreclose or otherwise enforce the claim of lien. All costs incurred, including but not limited to attorneys' fees and other costs of collection, shall be recovered from the delinquent Unit Owner. A \$35.00 Administrative Fee for the cost of collection shall be charged to the Unit Owner's account in addition to any applicable Late Charges and/or interest and those amounts shall also be sought and recovered from the delinquent Unit Owner.