

Melbourne Place II

Delinquent Assessment Collection Policy

Article number VI, Section 6.3 of the Bylaws of Melbourne Place II states that late charges and interest on delinquent accounts, obligates the owners to pay the assessments, as established by the Board of Directors, and for the Board of Directors to take actions, such as sending notices and letters to collect any past due amounts.

The Declaration and state laws also give the Board of Directors the right to assess late fees, penalties, and costs of collection against homeowners who do not pay their assessments in a timely manner. In order to establish a fair and consistent method for collecting past due and delinquent assessment payment from homeowners, the following policy will be followed:

Payment Schedule

- Assessment payments are due and payable on the **first day of each month**. Failure to pay on/before the 3rd day of the month will result in the account being considered delinquent. A late charge will automatically be applied to Unit Owners account.
- If a Unit Owner defaults in payment of an approved installment plan, the Board may accelerate the remaining installments and the accelerated assessment immediately becomes due upon the date stated in a notice to the unit owner.
- Assessments must be paid regardless of use of the unit. i.e. rental, vacant and still owns his/her unit.

Late fees, Not Sufficient Funds, and Interest Charges

Failure to pay any assessment within three (3) days from the date due will result in a \$25.00 per month late charge added to the Unit Owners account.

Delinquency Notice Process

For all balances that are past due, the following notification process applies (in addition to the late fees to be added to the account pursuant to the preceding paragraph)

FIRST NOTICE

First Notice of Past Due Charges including detail of assessments, late fees, not sufficient fund charges, and other charges that apply will be sent via e-mail and First-Class Mail to the last address on file after the first missed payment.

SECOND NOTICE

Second Notice of Past Due Charges including detail of assessments, late fees, insufficient fund charges, and other charges that apply will be sent by First Class Mail - Certified with Return Receipt Requested to the last address on file to an owner whose balance is at least thirty (30) days past due.

THIRD NOTICE

Demand for Payment and Notice of Intent to Lien will be sent by Certified Mail, Return Receipt Requested to the last address on file to an owner whose balance is at least sixty (60) days past due. Notice will include intent to turn the matter over to an attorney for collection enforcement if balance is not paid within 10 days. Any collection costs, including attorneys' fees and costs will be charged back to and the responsibility of the owner in addition to other amounts due.

Assignment of Rents for Non-Owner-Occupied Units

Owners who are delinquent of assessments and charges and who have rental unit(s) in the community will be notified with their third notice that the Association will recover charges owed from their tenant(s) via assignment of rent payments to the Association. A notice will also be sent to the tenant(s) advising them of the owner's default and where to pay rents under the assignment.

Rent payments will be applied to the homeowner's charges as described below and any surplus will be forwarded to the owner.

Legal Services

- On the 10th of the month after an owner has received their third notice, they will be referred to the community's attorney with instructions to commence legal action. This will include filing for judgment of the amount due and may escalate to seizure of assets if full payment of all past due assessments and late fees is not received in the next 30 days.
- After an account has been referred to an attorney, the attorney shall take all appropriate action to collect the amount due.
- After the account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off.
- The attorney, in consultation with the Board, is authorized to take whatever action is necessary and determined to be in the best interest of the Association, including, but not limited to:
 - Filing of a suit for a money judgment;
 - Executing on any judgement for personal or real property
 - Filing necessary claims, documents, and motions in bankruptcy court In order to protect the Association's interests; AND seeking appointment of a receiver to manage the rental of the property, collect the rent and disburses the same.

Application of Payments

Payments received on delinquent assessments will be applied as follows; first to late charges, costs of collection, administrative fees, and any other amount due which results in continued delinquency, and then to the principal delinquent balance until paid in full. As soon as a delinquent owner has paid in full all delinquent assessments and charges, including attorneys' fees, the attorney will take the appropriate steps to satisfy a judgment or lien.