

THE
VILLAGE  GRANDE®
AT ENGLISH MILL

PROCEDURE 300 – DELINQUENT COLLECTIONS

I. Purpose

- A. This procedure describes the process to follow when a homeowner’s account is in arrears. Article IX of the Declaration of Covenants and Restrictions for The Village Grande at English Mill (the “Declaration”) empowers the Board of Trustees (the “Board”) to promulgate, adopt and publish such Rules and Regulations as may be necessary to carry out the intent of the Declaration and shall have the right to bring law suits to enforce the terms of the Declaration, Rules and Regulations, and By-Laws (collectively, the “Governing Documents”) of The Village Grande at English Mill Homeowners Association (the “Association”).
- B. Paragraph 7.09 of Article VII of the By-Laws authorizes the Board to impose Late Fees in connection with the collection of any assessment or other charge. Further, Paragraph 12.02 of Article XII of the By-Laws enables the Board to levy fines against any Owner(s) for violations of the Governing Documents of the Association.
- C. Prompt payment of Common Expense Assessments and other fees by all Owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. The Board takes its obligation to enforce the terms of the Governing Documents very seriously, which includes its responsibility to ensure the Owners in the Association pay their Common Expense Assessments and/or any other assessment imposed by Board. The policies and practices outlined herein shall remain in effect until such time as they are modified by the Board pursuant to a duly adopted resolution.
- D. In the event of a conflict between the terms of this Procedure and the terms of the Governing Documents, the terms of the Governing Documents shall control.

II. Roles, Duties, and Definitions

- A. Owner– Makes payment of assessments or other charges in accordance with Article IV of the Declaration and Article VII of the By-Laws.
- B. Site Manager – Identifies delinquent accounts. Makes primary contact with Owner or Occupant. Prepares and maintains appropriate documentation in the Association’s files. Coordinates collection actions with collection agent.

Procedure 300 – Delinquent Collections

Adopted: December 3, 2013

Revised: March 9, 2021

Page 2

- C. Board of Trustees – Authorizes assessments, fines, fees, or other charges. Reviews requests to waive late charges. Authorizes collection actions including liens and/or judgments by collection agent.
- D. Governing Documents- Shall mean the Declaration of Covenants and Restrictions, the By-Laws and/or any other Rules & Regulations duly adopted by the Board of Trustees for the Association.
- E. Collection Agent – Pursues collection action against delinquent owners in coordination with the Site Manager.

III. Procedure

- A. Assessments, fines, late charges, interest, collection expenses, and agent fees, are the personal obligation of the Owner of the property at the time the assessment or other charges are levied.
- B. Common Expense Assessments are due and payable on the first day of each month. It is the Owner of record's responsibility to pay each assessment in full each month.
- C. All other assessments, including but not limited to Special Assessments and/or Emergency Assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice.
- D. Fines are due and payable as stated in the letter levying the fine.
- E. Any payments made shall be first applied to Assessments owed. Only after the Assessments owed are paid in full, shall such payments be applied to fines, late charges, interest, collection expenses, and agent fees, in that order, unless the Owner and the Board enter into an agreement (in writing) providing for payments to be applied in a different manner.
- F. Assessments that are not received within fifteen (15) days of the stated due date are considered delinquent and shall be subject to a late charge of \$25.00.
- G. An interest charge at the rate of six percent (6%) per annum will be assessed against any outstanding balance, including delinquent assessments or fines, late charges, and cost of collection, which may include attorneys' fees. Such interest charges shall accrue ninety days after the payment becomes due and shall continue to be assessed each month until the account is brought current.

Procedure 300 – Delinquent Collections

Adopted: December 3, 2013

Revised: March 9, 2021

Page 3

- H. If a Special Assessment is payable in installments and an installment payment of that Special Assessment is delinquent for more than thirty (30) days, all installments will be accelerated, and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
- I. Site Manager will contact owner or occupant when the account becomes delinquent by phone, mail, or email (i.e., January's assessment is not paid by January 15th, the assessment is delinquent on the 16th).
- J. If a payment is not received within 30 days after the payment becomes delinquent, the Site Manager shall contact the Owner by mail stating the amount due and stating a 30-day due date (i.e., if January's assessment is still not paid by February 16th, the demand letter shall go out with a March 16th deadline).
- K. If Owner fails to pay the amounts set forth in the demand letter and fails to request ADR within thirty (30) days of the date of the demand letter, the Board may authorize the Site Manager to transfer the matter to a collection agent (i.e., if payment has not been received by March 16th, the account is 60 days delinquent).
- L. Once the matter has been transferred to a collection agency, the collection agency will research the owner of record and send a demand letter noting all delinquent charges, including accelerated charges, and collection expenses.
- M. If Owner fails to pay the amounts set forth in the agent's demand letter, the Board may authorize the recording of a lien on the property and further collection action by the agent including but not limited to filing a judgement and pursuing a wage, bank, or rent levy.
- N. If Owner makes payment in full the Board may authorize the release of the lien. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, collection expenses, and agent fees must be paid in full to the Association.
- O. The decision to foreclose on a lien must be made by a majority of the Board. Prior to initiating any foreclosure sale on a recorded lien, the Board shall offer delinquent homeowners the option of participating in ADR.
- P. An Owner is entitled to a detailed report identifying the amounts.
- Q. In the event it is determined that the Owner has paid the assessments on time, the Owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.

Procedure 300 – Delinquent Collections

Adopted: December 3, 2013

Revised: March 9, 2021

Page 4

- R. Any Owner who is unable to pay assessments will be entitled to make a written request for an alternative payment plan to the Board. An Owner may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the demand letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the Owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the Owner remains current under the terms of the payment plan. If the Owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.
- S. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
- T. There is no right of offset. An Owner may not withhold assessments owed to the Association on the alleged grounds that the Owner is entitled to recover money or damages from the Association for some other obligation.
- U. The Association shall charge the Owner a Twenty-Five Dollar (\$25.00) fee for any check tendered to the Association that is returned unpaid by the Owner's bank.
- V. Until the Owner has paid all amounts due, including delinquent assessments, late charges, interest, collection expenses, and agent fees, the Board may suspend the Owner's right to vote, and suspend the rights of the Owner(s) or Occupant(s) to use the Association's facilities.